uMLALAZI
MUNICIPALITY

BUDGET
AND
MEDIUM TERM REVENUE
AND
EXPENDITURE
FRAMEWORK (MTREF)

COMMENCING IN 2010/2011

25 MAY 2010

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BUDGET AND MTREF STARING 2010/2011

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1. MAYOR'S REPORT

2010/2011 BUDGET PRESENTATION BY
HIS WORSHIP THE MAYOR COUNCILOR MET MAGWAZA

AT THE uMLALAZI COUNCIL MEETING HELD IN THE
ESHOWE COUNCIL CHAMBERS ON TUESDAY, 25 MAY 2010

Mr Speaker I wish to present an overview of the Budget and Medium Term Revenue and Expenditure Framework (MTREF) for the uMlalazi Municipality. The Budget and MTREF has been compiled in terms of the Local Government: Municipal Finance Management Act 56 of 2003, circulars and budget formats guides received from National Treasury.

The Budget depicts a total expenditure growth of R31,208 million or 18.1% made up as follows:

Capital Budget- From R 35,761 million to R 52,641 million or R16,880 million (47.2%)
Operating Budget- From R 136,305 million to R153,955 million or R17,650 million (12.9%)
R172,066 million to R206,596 million or R34,530 million (20.07%)

National Treasury has with the MFMA Circular 51 provided guidance to municipalities for the preparation of their 2010/2011 three year budget. From the Circular the following important aspects were noted:

> "The national Budget Review 2010 notes that the South African economy is slowly recovering, with economic growth of 2.3 per cent projected for 2010. However, it will take some time for the economic upturn to flow through to increase the Council's revenue and better cash flow. Consequently, the Council's revenue and cash flow is expected to remain under pressure in 2010/2011 and so the Council is adopting a conservative approach when expected revenues and cash receipts are projected. The Council will also pay particular attention to manage all revenue and cash streams effectively, especially debtors.
>
> Given the constraints on the revenue side, the Council will again need to make some very tough decisions on the expenditure side this year. Priority ought to be given to:
>
> - Protecting the poor from the worst impacts of the economic downturn;
> - Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
> - Securing the health of the asset base (especially the Council's revenue generating assets) by increasing spending on repairs and maintenance; and
> - Expediting spending on capital projects that are funded by conditional grants.
>
> The Council will pay special attention to control unnecessary spending on nice-to-have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising, public relations activities overtime and subsistence & travel. Attention will also be given to ensure value for money is obtained when using consultancy and other outsourced services."

Capital Budget

The Capital Budget depicts an amount of R52,641 million which is to be funded as follows:

Municipal Infrastructure Grant	-	R19,368 million
Equitable Share Grant	-	R10,613 million
Department of Human Settlements	-	R20 000 million
Department of mineral & energy	-	R2 660 million

The main capital projects to be funded from National Government Grants are the following:

Crèches (Ward 3,16,20,24)	-	2 659 700
Sportsfield (Wards 2,7,9,13,17)	-	3 479 600
Causeways (Wards 7,17,19,21,24)	-	3 956 700
Rural roads (Wards 8,15,18,26)	-	4 225 600
Community Hall (Ward 7)	-	1 132 600
Rehabilitation of waste disposal site	-	3 116 200

Purchase taxi rank: Gingindlovu	-	1 890 000
Eshowe bus & taxi rank	-	3 100 000
Gingindlovu housing project	-	8 700 000
Sunnydale housing project	-	11 300 000
Electrification Sunnydale housing	-	2 660 000

The basic capital projects to be funded from the Council's Equitable Share are the following:

Furniture & equipment	-	1 276 000
Vehicles	-	1 350 000
Cemeteries	-	300 000
Buildings	-	205 000
Roads, Sidewalks & Stormwater	-	1 360 000
Electricity	-	732 000
Robots: Sunnydale intersection	-	400 000

Operating Budget

The budget is based on the line budget system, i.e. where the current year's expenditure and revenue pattern is used as a basis plus expected changes. National Treasury requested municipalities to try and stay within a 6 % expenditure growth.

The total operating budget increased by 13.06 % or R17 755 000 and it is R153 744 000 broken down as follows:

Description	Amount	% of Expenditure Budget
Employee related costs	R 51 818 000	33.70
Remuneration of councilors	R 11 491 000	7.47
Depreciation	R 5 263 000	3.40
Finance charges	R 36 000	0.14
Bulk purchases	R 24 372 000	15.78
Contracted services	R 13 921 000	9.05
Grants	R 359 000	0.23
Repairs and maintenance	R 5 215 000	3.39
Contributions to funds	R 4 599 000	2.99
Other expenditure	R 36 670 000	23.85
Total	R153 744 000	100.00

Expenditure

i) Employee Related Costs- This increased by 18.65% or R8,146 million because of annual increases of 8.48% negotiated between SALGA and the unions in April 2010.

ii) Remuneration of Councillors- The annual costs amount to R11,491 million and an increase of 8.48% on the upper limit was provided for which is the same as for staff salary increases.

iii) Bulk Purchases- Electricity – This expenditure vote was increased by R5,567 million or 29.6%. NERsa approved a 24.8% increase to ESKOM for bulk electricity sold to municipalities.

iv) Contracted Services- This expenditure votes were increased by R3.373 million or 31.98% because of annual increases as per the contracts.

v) All other Votes- Provisions made for annual inflation increases and Repairs and Maintenance votes were increased by 25.8%.

vi) Rates Rebate- In terms of the Local Government Municipal Property Rates Act this revenue forgone must be depicted as expenditure in the Operating Budget.

Revenue

When the rates tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions

- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

Property Rates

To enable the Council to budget for a surplus, in terms of Section 17 of the Local Government: Municipal Finance Management Act 56 of 2003, the rates income has to be increased as follows:

2010 / 2011	13.23%
2011 / 2012	5.25%
2012/2013	6.00%

A 5.9 % rates tariff increase would have generated the needed additional revenue. However, the annual increase on salaries of 8.48% negotiated between SALGA and the unions in April 2010, did not make the low rates tariff increase possible.

This will entail a rates tariff increase of 8 %.

Waste Management

The operating cost of refuse removal has increased from R5 441 927 in the 2008/2009 budget year, to R9 149 810 for the 2010/2011 budget year. Council must realize that the implementation of transfer stations for the refuse to be transferred to a regional site, is an expensive operation. An amount of R2 250 000 from the equitable share is utilized to subsidize the refuse removal operating costs.

This is a trading service and should yield a profit. Provision was made for the following annual tariff increases:

2010 / 2011	10 %
2011 / 2012	10 %
2012/2013	10 %

Provision was made for a free service for those consumers living in the low cost housing schemes and those on the list of the indigent support programme as determined in the free basic services grant. This will be funded from the Council's Equitable Share (FBS grant).

Electricity

This is also a trading service and should yield a profit.

Provision was made for the following annual tariff increases which should enable this service to yield a profit:

2010 / 2011	15.33 %
2011 / 2012	16.03 %
2012/2013	16.16 %

Provision was also made for free electricity service on the same principles as approved by Eskom and the Government.

That is prepaid meters 20 amps – first 50kwh free
Conventional meters – consumption less than 150kwh – first 50kwh free.

Equitable Share

In terms of the Division of Revenue Act, as published for general information and tabled by the Minister of Finance on 22 January 2010 the Council will receive the following amounts as it's Equitable Share from the Department of Finance for the next three years :

2009 / 2010	R 55,675 000
2010 / 2011	R 62, 834 000
2011 / 2012	R 69,196 000

It is suggested that the amount for the 2010/2011 budget year be distributed as follows:

DETAILS	BUDGET 2010/2011
Rates relief	25,805,000
International relations	190,000
Free refuse	600,000
Sports fields security	100,000
Rural roads/causeways	1,000,000
Rural advancement projects	800,000
Sports development	500,000
Cultural development	120,000
Work creation projects	745,000
Free electricity	1,040,000
Rates write-off	-
Humanitarian support	400,000
HIV Relief	500,000
Youth development programmes	600,000
Rural educational enhancement	800,000
Disaster relief	400,000
Community seating & barriers	100,000
Community support programme	340,000
Rehabilitation: Urban roads	2,100,000
LED Projects	1,400,000
Ceremonial events	100,000
Commemorative celebrations	150,000
Rural asset maintenance	100,000
Housing top up	1,800,000
Refuse relief	2,250,000
Capital projects contribution	5,735,000
Primary health contribution	1,400,000
Eshowe bus and taxi rank contribution	1,500,000
War against poverty projects	800,000
General valuations	900,000
Poverty alleviation	1,510,000
Gingindlovu taxi rank	1,890,000
Pound facility	-
	55,675,000

The extreme moderate and well deliberated rates increase of 8% and other service charges should be welcomed by all communities and serve as an indication that Council is more than aware of the need to compassionately accommodate our people. The millions of rands being poured into our rural communities for such varied activities is a further commendable effort by Council to show our people that we are serious in attending to their needs.

All current grants, pensioners rebates, refuse and electricity discounts and rates write offs will remain in force to the benefit of these people receiving such benefits.

Mr Speaker, the financial year is about to cease and we will enter yet another, needless to say challenging year, but will tackle each task with enthusiasm and pragmatic approach, and request all Councillors to work together for the common good and goal of development.

I accordingly table the budget as detailed in the document with Appendix and recommendations 1 to 13 for final adoption by Council.

I thank you.

2. BUDGET RELATED RESOLUTIONS

RECOMMENDED

Page

1. That the annual budget of the municipality for the financial year 2010/2011; and indicative for the two projected outer years 2011/2012 and 2012/2013 be approved as set-out in the following schedules:

1.1 Budget Summary (Financial Performance, Capital Expenditure and Fund sources, Financial Position, Cash Flows & Asset Management) Table A1 — 15

1.2 Budgeted Financial Performance (Revenue and Expenditure by Standard classification) Table A2 — 16

1.3 Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) Table A3 — 17

1.4 Budgeted Financial Performance (Revenue and Expenditure) Table A4 — 18

1.5 Budgeted Capital expenditure by Vote, Standard classification and funding-Table A5 — 21

2. That the financial position, cash flows, cash-backed reserve/ accumulated surplus, asset management and basic service delivery measurements are adopted as set out in the following tables:

2.1 Budgeted Financial Position-A6 — 23

2.2 Budgeted Cash Flows – Table A7 — 24

2.3 Cash backed reserves & accumulated surplus reconciliation Table A8 — 25

2.4 Asset Management- Table A9 — 26

2.5 Basic Service Delivery Measurement-Table A10 — 28

3. That the amendments to the budget related policies be approved.

4. That the new virement (transferring of funds) policy be approved.

5. That the budget funding and tariffs be approved.

6. That the expenditure on the Equitable Share Grant be approved as follows:

DETAILS	BUDGET 2010/2011
Rates relief	25,805,000
International relations	190,000
Free refuse	600,000
Sports fields security	100,000
Rural roads/causeways	1,000,000
Rural advancement projects	800,000
Sports development	500,000
Cultural development	120,000
Work creation projects	745,000
Free electricity	1,040,000
Rates write-off	-
Humanitarian support	400,000
HIV Relief	500,000
Youth development programmes	600,000
Rural educational enhancement	800,000
Disaster relief	400,000
Community seating & barriers	100,000
Community support programme	340,000
Rehabilitation: Urban roads	2,100,000
LED Projects	1,400,000
Ceremonial events	100,000
Commemorative celebrations	150,000
Rural asset maintenance	100,000
Housing top up	1,800,000
Refuse relief	2,250,000
Capital projects contribution	5,735,000
Primary health contribution	1,400,000
Eshowe bus and taxi rank contribution	1,500,000
War against poverty projects	800,000
General valuations	900,000
Poverty alleviation	1,510,000
Gingindlovu taxi rank	1,890,000
Pound facility	-
	55,675,000

7. That in terms of Section 17 (3) (k) of the Local Government: Municipal Finance Management Act, (No. 56 of 2003), that the proposed cost to council of salary, allowances and benefits of, councilors and senior officials be noted.

8. That the Service Delivery and Budget Implementation Plan (SDBIP) tabled together with the measurable performance objectives per vote be approved.

9. That the contract to HCB Property Valuations for the second round of valuations, which will impose a financial obligation of R300 000 on the municipality beyond the three years covered in the budget.

10. That the letter dated 4 May 2010 received from the Mtunzini Residents Association be noted and the Council's comments thereon as reflected in annexure.

11. That the Social Welfare Desk in the Department of Community Services be tasked to monitor the progress made with the Poverty Alleviation Programme of R1 510 000 (one million five hundred and ten thousand rand) and that the Manager Community Services submit the report thereon to the scheduled meetings of the Community Services Portfolio Committee.

12. That the amount of R1 315 000 (one million three hundred and fifteen thousand rand) in respect of various plans reflected in the IDP be not approved and that the Managers of Department/s be tasked to compile and formulate the plans in question and to submit same to the relevant portfolio Committees.

13. That the Manager Protection Services ensure the implementation of a shift system in respect of traffic and fire henceforth. Overtime will be only approved in an emergency or resulting from a complaint from a member of the public, it being noted that overtime must be strictly monitored by the Managers of Departments in consultation with the Municipal Manager.

3. EXECUTIVE SUMMARY

In terms of Section 16(2) of the Local Government: Municipal Finance Management Act (LG:MFMA), No. 56 of 2003, the mayor of the municipality must table the annual draft budget at a council meeting at least 30 days before the start of the budget year.

The budget/IDP process occurred according to the budget timetable approved by Council in August 2009. This ensured compliance with the LG:MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP.

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was also prepared taking cognizance of the contents of the Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 51 and the LG:MFMA Budget Formats Guide received from National Treasury.

1.1 Funding choices and management issues

The national Budget Review 2010 notes that the South African economy is slowly recovering, with economic growth of 2.3 per cent projected for 2010. However, it will take some time for the economic upturn to flow through to increase the Council's revenue and better cash flow. Consequently, the Council's revenue and cash flow is expected to remain under pressure in 2010/2011 and so the Council is adopting a conservative approach when expected revenues and cash receipts are projected. The Council will also pay particular attention to manage all revenue and cash streams effectively, especially debtors.

Given the constraints on the revenue side, the Council will again need to make some very tough decisions on the expenditure side this year. Priority ought to be given to:

- Protecting the poor from the worst impacts of the economic downturn;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of the asset base (especially the Council's revenue generating assets) by increasing spending on repairs and maintenance; and
- Expediting spending on capital projects that are funded by conditional grants.

The Council will pay special attention to control unnecessary spending on nice-to-have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising, public relations activities overtime and subsistence & travel. Attention will also be given to ensure value for money is obtained when using consultancy and other outsourced services.

The Council must also ensure that the capital budget reflect consistent efforts to address the backlogs in basic services and the refurbishment of existing network services.

3.2 Operating Budget

The budget is based on the line item budget system, ie where the current year's expenditure and revenue pattern is used as a basis plus expected changes. The following inflation forecasts were taken into consideration when the budget was prepared:

2010/2011	-	5.7%
2011/2012	-	6.2%
2012/2013	-	5.9%

3.2.1 Revenue by source (Table A4- Page 18)

The operating revenue has increased by 12.95% from the 2009/2010 budget year, largely due to increases in revenue from property rates of R3 908 000 service charges of R6 092 000 for electricity and R310 000 for refuse removal and grants received of R6 993 000.

Transfers regained(grants and subsidies) has increased by R6 993 000 and is now 34.13% of the operating revenue.

3.2.2 Expenditure by type (Table A4-Page 18)

The operating expenditure has increased by 13.06% from the 2009/2010 budget year, largely due to increases of employee related costs, remuneration of councilors, bulk purchases of electricity and contracted services.

3.2.2.1 Employee related costs and remuneration of councilors.

The salary increase of 8.48% is based on the wage agreement which SALGA concluded with municipal workers unions in April 2010.

An increase of 8.48% is budgeted for the increase for councillor allowances.

Provision is made for the following new positions in the 2010/2011 budget year:

JOB TITLE	LEVEL	DEPARTMENT	COST TO COUNCIL
Public Participation Officer	4	Municipal Manager	R235 160
Publicity Assistant	9	Corporate Services-Council General	R105 740
Crew Leader	11	Protection Services-Fire Fighting	R128 230
Crew Leader	11	Protection Services-Fire Fighting	R128 230
Assistant Superintendent	6	Protection Services-Testing Station	R204 180
TOTAL COST OF NEWLY CREATED POSTS			R801 540

The position of the Assistant Superintendent at the testing station is in terms of regulations received from the National Department of Transport. Employee related costs has increased by 18.65% and is now 33.7% of the operational budget.

3.2.2.2 Bulk purchases for electricity

The following media statement was received from the National Energy Regulations of SA (NERsa) on 24 February 2010:

"The National Energy Regulator of South Africa (NERSA) at its meeting held today, Wednesday, 24 February 2010, approved an allowed revenue of R85bn for 2010/2011, R109bn for 2011/2012 and R141bn for 2012/2013. This will result in the average standard price of 41.57 c/kWh, 52.3C/kWh and 65.85c/kWh for 2010/2011, 2011/2012 and 2012/2013 financial years respectively. This will result in a percentage price increase of 24.8% on the average standard tariff from 1 April 2010 followed by another average increase of 25.8% from 1 April 2011 and a further price increase of 25.9% from 1 April 2012.

For those municipal distributors who implemented the 34% increase in the 2009/2010 financial year, a municipal guideline increase of 15.33% is approved for implementation with effect from 1 July 2010 followed by 16.03% from 1 July 2011 and another 16.16% from 1 July 2012. For those municipal distributors who implemented a different increase, the Energy Regulator will consider applications on a case by case basis."

Provision is made for bulk electricity purchases and the sale of electricity in terms of the media statement.

3.2.2.3 Contracted Services

Provision is made for the following contracted services:

Internal Audit Fees:	R 660 000
Cleaning contracts:	R 162 000
Bank collection security:	R 240 000
Town Planning:	R 420 000
Valuation expenses:	R 300 000
TMT services & supplies:	R 2 408 640
Security:	R 960 000
Grass cutting contracts:	R 1 008 870
Refuse removal contracts:	R 774 170
Transfer of refuse: Mtunzini	R 953 920
Transfer of refuse: Eshowe	R 2 765 560
Computer maintenance, Insurance and lease of equipment	R 3 267 840
	R13 921 000

3.2.2.4 Clinics

The total expenditure for the clinics is R3 809 270. The subsidy allocation from KZN Department of Health is R2 289 000 for the 2010/2011 budget year. The shortfall of R1 400 000 is financed from a subsidy contribution from the equitable share grant. It is noted that no subsidy allocations are provide for by the KZN Department of Health for the 2011/2012 and 2012/2013 budget years. It is therefore assumed that province will take over the clinic function from the 2011/2012 Budget Year.

3.2.2.5 Waste management

The operating cost of refuse removal has increased from R5 441 927 in the 2008/2009 budget year, to R9 149 810 for the 2010/2011 budget year. Council must realize that the implementation of transfer stations for the refuse to be transferred to a regional site, is an expensive operation. An amount of R2 250 000 from the equitable share is utilized to subsidize the refuse removal operating costs.

3.3 Capital Budget

The following guidelines were applied in order to valuate and prioritize the capital projects:

- In line with the Council's revised IDP
- Carry over of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- Provision was made for the basic capital budget to fall within a expenditure growth limit of 6%.

95.14% of the draft capital budget will be spent on infrastructure. R16 252 510 is spent on capital projects in the rural areas. These projects are in terms of priorities determined by the rural communities, which forms part of the Council's Integrated Development Plan.

The capital expenditure will be funded as follows:

Equitable Share	-	10 613 000
Municipal Infrastructure Grant	-	19 368 700
Department of Human Settlement	-	20 000 000
Department of Mineral and Energy	-	2 660 000

3.4 Tariffs

When the rates tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the down turn in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Council also explored ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services.

National Treasury continues to encourage the Council to keep increases in rates, tariffs and other charges as low as practically possible. For this reason National Treasury continues to require that the Council must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target.

The Council should note that Section 20 of theLG:MFMA specifically empowers the Minister of Finance to take appropriate steps to ensure that the Council do not materially and unreasonably prejudice national economic policies, particularly those on inflation, administered prices and equity.

The tariff increases under consideration in this budget are as follows:

- General Rates - 8%
- Refuse removal charges - 10%
- Sale of electricity - 15.33%

Hereunder follows the justification of the increases in excess of the 6 per cent upper boundary of the inflation target:

- The salary increases which is in terms of the wage agreement which SALGA concluded with municipal workers.
- The transfer of waste from the waste transfer stations to the regional waster disposal site in Empangeni, is much more expensive in comparison to maintain own refuse sites.
- The high increase of the refuse tariffs are there to compensate for the loss of revenue for the free dumping of garden refuse by domestic consumers.
- The 24.8% increase in the bulk electricity purchases in comparison with the revenue increase of 15.33%, causes that the rates tariff increases is higher than anticipated. Cognizance must be taken that the electricity service's revenue cross subsidize the determination of the property rates tariff.

3.5 Financial position of Council

The accumulated surplus of the Council is R125 843 320 as at 30 June 2009. Unfortunately this amount is not cash backed. The surplus/deficit for the 2009/2010 and next three years is projected as follows:

2009/2010-	R105 000 deficit
2010/2011-	R212 000 surplus
2011/2012-	R359 000 surplus
2012/2013-	R701 000 surplus

3.6 Alignment with National Priorities

The following objectives are directly relevant to the Council:

- Deliver more and better services in a caring and efficient manner;
- Hold political office bearers and public servants accountable;
- Shift resources to new priorities;
- Move from debate to effective implementation and decisive action; and
- Work in partnership with communities, labour and business to achieve our shared objectives.

The challenge for the Council is to do more within its existing resource envelope.

3.6.1 Efficient and effective public services

The national budget review 2010 notes:

"Over the next few years, government must deliver more services- and deliver them more efficiently-within a tight resource envelope. Achieving this objective requires a new way of working:

- The budget has been reprioritized so that money is moved from low-priority programmes to high priority programmes.
- A performance culture where people are held accountable for their actions, accompanied by clear, measurable outcomes related to key development priorities.
- Government will manage growth in its consumption expenditure (wages, and goods and services) and obtain better value for money.
- Corruption, particularly in the tender system, will be uprooted."

The Council is encouraged to adopt a similar stance on these issues. This is particularly important in the run-up to the local government elections. The Council need to remain focused on the effective delivery of core municipal services, and steer away from seeking to buy political support through patronage, ad hoc public relations projects, events or donations or any other action that is not consistent with the *Code of Conduct for Councillors*- as set out in the Municipal Systems Act 32 of 2000.

3.6.2 Municipalities role in employment creation

The national budget review 2010 notes:

" Employment is central to human dignity, sustainable economic development and social cohesion. Creating jobs and increasing employment is South Africa's most critical objective.

While there are many policy options to consider, emphasis should be placed on removing the structural impediments to faster job growth. This means aligning real wage growth with productivity, spending up regulatory reform to ensure that young and less skilled workers can access the job market, and ensuring that

further education and training programmes provide the real world skills needed by public and private sector employers. Public employment to support service delivery , and public works projects that draw in lower skilled workers, will continue to play an important role. The issue of youth unemployment is imperative and needs to be confronted directly."

Chapter 12 of the Local Government Budget and Expenditure review 2008 analysed the extent to which municipalities were supporting job creation. It is noted that:

" Many activities performed by municipalities lend themselves to providing job opportunities for low and unskilled labour. As indicated, municipalities face critical choices in this regard, whether to adopt capital intensive approaches or labour intensive approaches... Anecdotal information suggests that generally municipalities are inclined to adopt capital intensive approaches. The mechanization of grass cutting, street sweeping, ditch digging, road maintenance and a host of other activities points in this direction. Of course there is balance between job creation, efficiency and cost. This needs to be managed and in each instance the appropriate technology for the task needs to be decided upon, with a bias towards labour intensive approaches. The challenge is to mainstream the labour intensive approaches that are being used in the EPWP projects into the normal way municipalities go about their business of delivering services."

The Council must explore how it can contribute to job creation when revising the IDP and preparing the 2010/2011 budget. However, the Council should not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term. The Council ought to focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital project use labour intensive methods wherever appropriate
- Ensuring that services providers use labour intensive approaches.
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programmes; and
- Implementing interns programmes to provide young people with on the job training.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- R1 400 000 from the equitable share is allocated for LED projects;
- R1 545 000 from the equitable share is allocated for work creation projects;
- The Manager: Engineering Services is investigating how to register to participate in the Extended Public Works Programme, and
- The Council has appointed four financial interns.

3.7 Key amendment to budget –related policies

3.7.1 A new draft virement policy is tabled for approval under Section 8 of the budget documentation.

3.7.2 The amendments of the budget related polices are tabled under Section 8 of the budget documents.

4. Annual Draft Budget Tables
    - A1 – Budget Summary
    - A2 – Budgeted Financial Performance (Revenue & Expenditure by Standard Classification)
    - A3 – Budgeted Financial Performance (Revenue & Expenditure by Municipal Vote)
    - A4 – Budgeted Financial Performance (Revenue & Expenditure)
    - A5 – Budgeted Capital Expenditure by Vote, Standard Classification and Funding
    - A6 – Budgeted Financial Performance
    - A7 – Budgeted Cash flows
    - A8 – Cash Back Reserves/ Accumulated Surplus Reconciliation
    - A9 – Asset Management
    - A10 – Basic Service Delivery Measurement

KZN284 Umlalazi - Table A1 Budget Summary

Description	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Financial Performance										
Property rates	–	23,469	27,352	34,070	34,406	34,068	–	38,314	40,370	42,735
Service charges	–	22,274	29,241	40,117	40,117	38,442	–	46,519	54,794	65,699
Investment revenue	–	859	566	864	864	566	–	600	600	600
Transfers recognised - operational	–	33,846	41,744	44,568	48,134	47,451	–	55,439	66,596	73,109
Other own revenue	–	10,934	11,597	12,705	12,785	10,090	–	13,083	14,133	14,980
Total Revenue (excluding capital transfers and contributions)	–	91,381	110,499	132,323	136,305	130,618	–	153,955	176,494	197,124
Employee costs	–	31,488	36,546	44,019	43,672	42,512	–	51,818	56,981	62,288
Remuneration of councillors	–	9,092	9,871	10,837	10,426	10,426	–	11,491	12,456	13,502
Depreciation & asset impairment	–	4,915	5,603	5,659	5,659	5,659	–	5,263	5,652	5,991
Finance charges	–	90	43	41	41	41	–	36	32	29
Materials and bulk purchases	–	11,653	14,815	18,346	18,805	18,805	–	24,372	31,277	40,172
Transfers and grants	–	238	306	335	335	335	–	359	378	397
Other expenditure	–	36,452	46,509	52,925	57,051	52,946	–	60,406	69,359	74,044
Total Expenditure	–	93,928	113,692	132,162	135,989	130,723	–	153,744	176,135	196,423
Surplus/(Deficit)	–	(2,546)	(3,193)	161	316	(105)	–	212	359	701
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	(2,546)	(3,193)	161	316	(105)	–	212	359	701
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	(2,546)	(3,193)	161	316	(105)	–	212	359	701
Capital expenditure & funds sources										
Capital expenditure	–	25,501	23,690	42,545	35,761	35,761	–	52,642	52,138	53,980
Transfers recognised - capital	–	19,710	18,905	39,045	31,448	31,448	–	52,642	49,038	53,980
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	3,500	4,313	4,313	–	–	3,100	–
Internally generated funds	–	5,791	4,785	–	–	–	–	–	–	–
Total sources of capital funds	–	25,501	23,690	42,545	35,761	35,761	–	52,642	52,138	53,980
Financial position										
Total current assets	–	32,107	40,104	28,486	28,486	28,486	–	28,166	32,825	30,506
Total non current assets	–	140,220	203,792	223,979	223,979	223,979	–	248,025	272,346	299,050
Total current liabilities	–	17,514	26,949	30,114	30,564	21,417	–	16,374	24,590	22,349
Total non current liabilities	–	7,949	10,681	10,162	10,162	10,162	–	11,928	12,521	13,199
Community wealth/Equity	–	146,864	206,265	212,189	211,739	220,886	–	247,751	268,003	294,008
Cash flows										
Net cash from (used) operating	10,128	16,127	36,231	48,618	41,273	43,326	43,326	54,527	53,341	57,431
Net cash from (used) investing	(10,287)	(22,771)	(21,701)	(40,045)	(33,261)	(35,761)	(35,761)	(48,819)	(51,577)	(53,332)
Net cash from (used) financing	(1,309)	(327)	(277)	(256)	(256)	(256)	(256)	(430)	(420)	(400)
Cash/cash equivalents at the year end	522	(6,449)	7,804	16,121	23,877	31,186	23,430	28,708	30,052	33,751
Cash backing/surplus reconciliation										
Cash and investments available	–	9,617	13,681	7,671	7,671	7,671	–	8,697	12,644	11,383
Application of cash and investments	–	6,601	10,487	18,203	18,656	9,529	–	3,947	10,300	8,151
Balance - surplus (shortfall)	–	3,017	3,194	(10,532)	(10,985)	(1,858)	–	4,750	2,344	3,232
Asset management										
Asset register summary (WDV)	–	30,335	29,706	48,976	42,192	42,192	59,573	59,573	61,459	63,801
Depreciation & asset impairment	–	4,915	5,603	5,659	5,659	5,659	5,263	5,263	5,652	5,991
Renewal of Existing Assets	–	4,413	2,568	2,299	2,251	2,251	2,689	2,689	6,463	3,858
Repairs and Maintenance	–	2,507	6,671	6,337	7,028	6,579	5,215	5,215	5,746	5,971
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	5,498	6,559	7,709	12,865	12,836	12,836	12,955	12,955	13,128	12,772
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	412,000	474,000	309,000	461,000	461,000	461,000	583,000	583,000	721,000	793,000
Refuse:	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

KZN284 Umlalazi - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

tandard Classification Descriptio	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue - Standard										
Governance and administration		–	52,534	58,931	68,258	69,332	65,563	78,561	85,298	92,094
Executive and council		–	50,698	56,841	66,219	67,066	63,802	76,271	82,755	89,500
Budget and treasury office		–	1,432	1,815	1,977	2,204	1,646	2,182	2,434	2,486
Corporate services		–	404	275	62	62	115	108	109	109
Community and public safety		–	7,808	13,898	15,495	16,450	15,967	15,650	18,643	21,048
Community and social services		–	254	255	1,201	1,633	1,639	1,308	1,477	1,587
Sport and recreation		–	2,479	1,521	1,756	1,612	1,749	2,008	2,827	3,395
Public safety		–	956	3,412	3,468	3,669	2,995	4,632	5,792	6,352
Housing		–	192	3,657	3,868	4,258	4,298	1,953	2,363	3,176
Health		–	3,927	5,053	5,203	5,279	5,286	5,749	6,183	6,538
Economic and environmental services		–	5,617	5,746	5,780	7,335	7,771	8,219	12,193	12,621
Planning and development		–	329	364	93	1,185	1,184	1,030	1,261	1,540
Road transport		–	5,288	5,381	5,687	6,150	6,586	7,189	10,932	11,081
Trading services		–	25,422	31,924	42,789	43,189	41,318	51,526	60,360	71,361
Electricity		–	20,992	26,404	35,799	35,799	34,031	42,130	49,693	59,911
Waste water management		–	2	1	1	1	1	1	1	1
Waste management		–	4,428	5,520	6,990	7,390	7,286	9,395	10,666	11,450
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	–	91,381	110,499	132,323	136,306	130,618	153,955	176,494	197,124
Expenditure - Standard										
Governance and administration		–	39,683	44,393	49,520	50,716	46,414	56,589	60,573	64,765
Executive and council		–	32,984	36,074	40,083	40,617	36,866	45,191	47,977	50,902
Budget and treasury office		–	3,869	4,956	5,818	6,419	6,054	7,168	7,983	8,807
Corporate services		–	2,830	3,363	3,619	3,680	3,493	4,230	4,612	5,055
Community and public safety		–	19,344	27,464	32,112	32,593	31,844	34,971	39,725	43,619
Community and social services		–	2,196	2,382	4,207	4,407	4,104	4,677	5,266	5,663
Sport and recreation		–	6,787	6,022	7,166	6,573	6,282	7,807	9,171	10,328
Public safety		–	5,414	9,153	10,127	10,552	10,626	12,897	14,588	15,825
Housing		–	113	3,633	3,888	4,293	4,293	1,943	2,345	3,147
Health		–	4,834	6,274	6,724	6,767	6,538	7,647	8,355	8,657
Economic and environmental services		–	7,771	8,961	10,146	11,486	11,023	12,543	17,167	18,200
Planning and development		–	716	1,339	1,258	2,364	2,307	2,585	2,965	3,390
Road transport		–	7,055	7,622	8,887	9,122	8,716	9,958	14,202	14,810
Trading services		–	26,810	32,536	39,980	40,867	41,141	49,297	58,292	69,424
Electricity		–	20,601	25,095	30,845	31,354	30,921	37,440	45,371	55,442
Waste water management		–	252	285	361	411	356	414	453	495
Waste management		–	5,957	7,157	8,774	9,101	9,864	11,442	12,468	13,487
Other	4	–	319	338	403	328	302	343	378	415
Total Expenditure - Standard	3	–	93,927	113,692	132,162	135,989	130,723	153,743	176,135	196,423
Surplus/(Deficit) for the year		–	(2,546)	(3,193)	161	316	(105)	212	359	701

KZN284 Umlalazi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue by Vote	1									
Vote1 - EXECUTIVE & COUNCIL		–	50,698	56,841	66,219	67,066	63,802	76,271	82,755	89,500
Vote2 - BUDGET & TREASURY OFFICE		–	1,432	1,815	1,977	2,204	1,646	2,182	2,434	2,486
Vote3 - CORPORATE SERVICES		–	441	330	1,027	1,459	1,527	1,088	1,239	1,339
Vote4 - PLANNING & DEVELOPMENT		–	329	364	93	1,185	1,184	1,030	1,261	1,540
Vote5 - HEALTH		–	3,927	5,053	5,203	5,279	5,286	5,749	6,183	6,538
Vote6 - COMMUNITY & SOCIAL SERVICES		–	217	200	236	236	227	328	347	357
Vote7 - HOUSING		–	192	3,657	3,868	4,258	4,298	1,953	2,363	3,176
Vote8 - PUBLIC SAFETY		–	956	3,412	3,468	3,669	2,995	4,632	5,792	6,352
Vote9 - SPORTS & RECREATION		–	2,480	1,521	1,756	1,612	1,749	2,008	2,827	3,395
Vote10 - WASTE MANAGEMENT		–	4,430	5,520	6,991	7,391	7,287	9,396	10,667	11,450
Vote11 - ROAD TRANSPORT		–	5,288	5,381	5,687	6,150	6,586	7,189	10,932	11,081
Vote12 - ELECTRICITY		–	20,991	26,404	35,799	35,799	34,031	42,130	49,693	59,911
Vote13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–
Vote14 - WORKSHOP		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	–	91,381	110,499	132,323	136,306	130,618	153,955	176,494	197,124
Expenditure by Vote *to be appropriated*	1									
Vote1 - EXECUTIVE & COUNCIL		–	32,984	36,074	40,083	40,617	36,866	45,191	47,977	50,902
Vote2 - BUDGET & TREASURY OFFICE		–	3,869	4,956	5,818	6,419	6,054	7,168	7,983	8,807
Vote3 - CORPORATE SERVICES		–	3,803	4,357	5,616	6,077	5,872	6,294	6,927	7,595
Vote4 - PLANNING & DEVELOPMENT		–	716	1,339	1,258	2,364	2,307	2,585	2,965	3,390
Vote5 - HEALTH		–	4,835	6,274	6,724	6,767	6,538	7,647	8,355	8,657
Vote6 - COMMUNITY & SOCIAL SERVICES		–	1,224	1,388	2,210	2,009	1,725	2,614	2,952	3,122
Vote7 - HOUSING		–	113	3,633	3,888	4,293	4,293	1,943	2,345	3,147
Vote8 - PUBLIC SAFETY		–	5,413	9,153	10,127	10,552	10,626	12,897	14,588	15,825
Vote9 - SPORTS & RECREATION		–	6,787	6,022	7,166	6,573	6,282	7,807	9,171	10,328
Vote10 - WASTE MANAGEMENT		–	6,208	7,442	9,135	9,513	10,220	11,857	12,921	13,982
Vote11 - ROAD TRANSPORT		–	7,055	7,622	8,887	9,122	8,716	9,958	14,202	14,810
Vote12 - ELECTRICITY		–	20,598	25,095	30,845	31,354	30,921	37,440	45,371	55,442
Vote13 - AIR TRANSPORT		–	9	14	16	16	10	11	11	12
Vote14 - WORKSHOP		–	313	324	388	313	292	332	366	403
Total Expenditure by Vote	2	–	93,927	113,692	132,162	135,989	130,723	153,743	176,135	196,423
Surplus/(Deficit) for the year	2	–	(2,546)	(3,193)	161	316	(105)	212	359	701

KZN284 Umlalazi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue By Source											
Property rates	2	–	22,671	26,432	33,120	33,456	32,998	–	37,364	39,420	41,785
Property rates - penalties & collection charges			797	920	950	950	1,070		950	950	950
Service charges - electricity revenue	2	–	18,597	24,475	34,428	34,428	32,856	–	40,520	47,913	57,888
Service charges - refuse revenue	2	–	3,677	4,766	5,689	5,689	5,586	–	5,999	6,881	7,811
Rental of facilities and equipment			891	775	744	825	962		1,011	1,071	1,136
Interest earned - external investments			859	566	864	864	566		600	600	600
Fines			967	2,303	2,698	2,698	2,401		4,230	4,769	5,297
Licences and permits			3	5	5	5	12		12	12	12
Transfers recognised - operational			33,846	41,744	44,568	48,134	47,451		55,439	66,596	73,109
Other revenue	2	–	6,343	7,799	6,758	6,757	6,714	–	7,629	8,081	8,335
Gains on disposal of PPE			2,730	715	2,500	2,500	–		200	200	200
Total Revenue (excluding capital transfers and contributions)		–	91,381	110,499	132,322	136,305	130,618	–	153,955	176,304	196,934
Expenditure By Type											
Employee related costs	2	–	31,488	36,546	44,019	43,672	42,512	–	51,818	56,981	62,288
Remuneration of councillors			9,092	9,871	10,837	10,426	10,426		11,491	12,456	13,502
Debt impairment	3		–								
Depreciation & asset impairment	2	–	4,915	5,603	5,659	5,659	5,659	–	5,263	5,652	5,991
Finance charges			90	43	41	41	41		36	32	29
Bulk purchases	2	–	11,653	14,815	18,346	18,805	18,805	–	24,372	31,277	40,172
Contracted services		–	5,410	9,249	10,491	10,548	10,942	–	13,921	13,866	14,693
Transfers and grants			238	306	335	335	335		359	378	397
Other expenditure	4, 5	–	31,042	37,259	42,434	46,503	42,003	–	46,485	55,493	58,982
Loss on disposal of PPE											
Total Expenditure		–	93,928	113,692	132,162	135,989	130,723	–	153,744	176,135	196,053
Surplus/(Deficit)		–	(2,546)	(3,193)	160	316	(105)	–	212	359	701
Transfers recognised - capital											
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		–	(2,546)	(3,193)	160	316	(105)	–	212	359	701
Taxation											
Surplus/(Deficit) after taxation		–	(2,546)	(3,193)	160	316	(105)	–	212	359	701
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		–	(2,546)	(3,193)	160	316	(105)	–	212	359	701
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		–	(2,546)	(3,193)	160	316	(105)	–	212	359	701

TABLE A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE)	
2010/2011 MTREF	
DESCRIPTION	BUDGET YEAR 2010/2011 R'000
REVENUE BY SOURCE	
PROPERTY RATES	37364
SERVICE CHARGES : ELECTRICITY	40520
SERVICE CHARGES : REFUSE	5999
TRANSFERS RECOGNISED	55439
OTHER REVENUE	14633
TOTAL REVENUE	153955

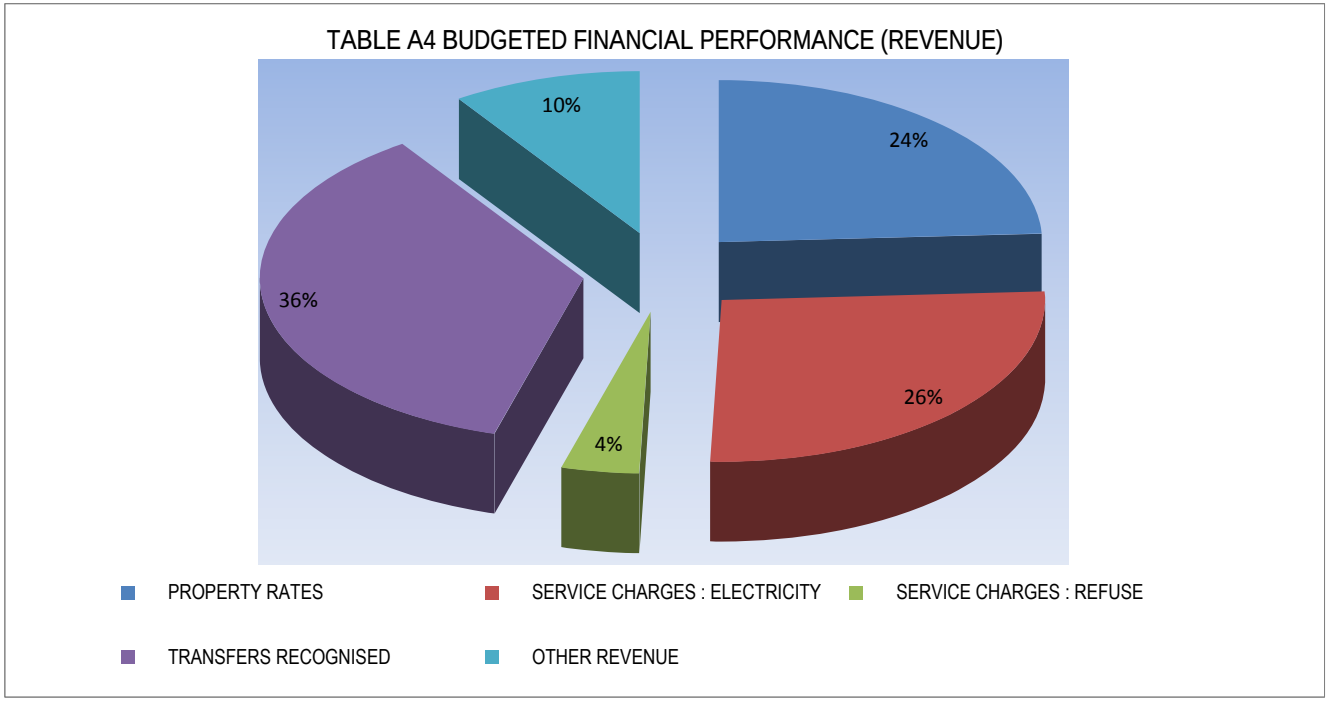
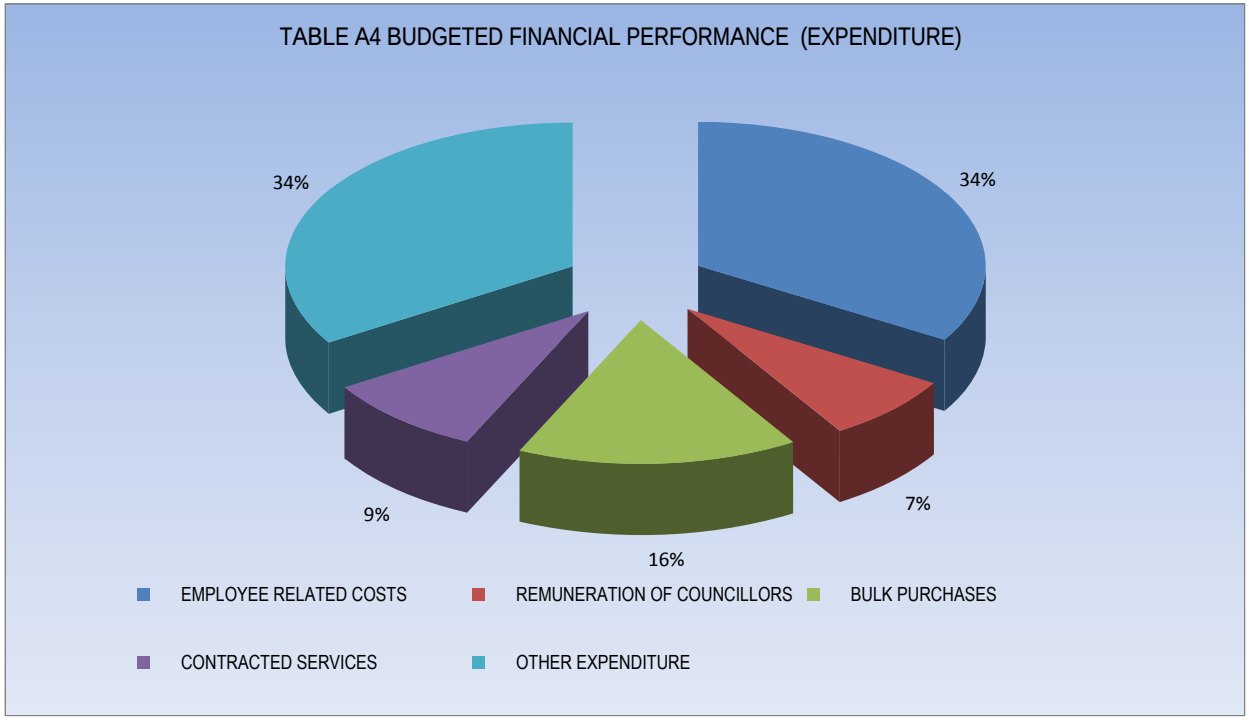


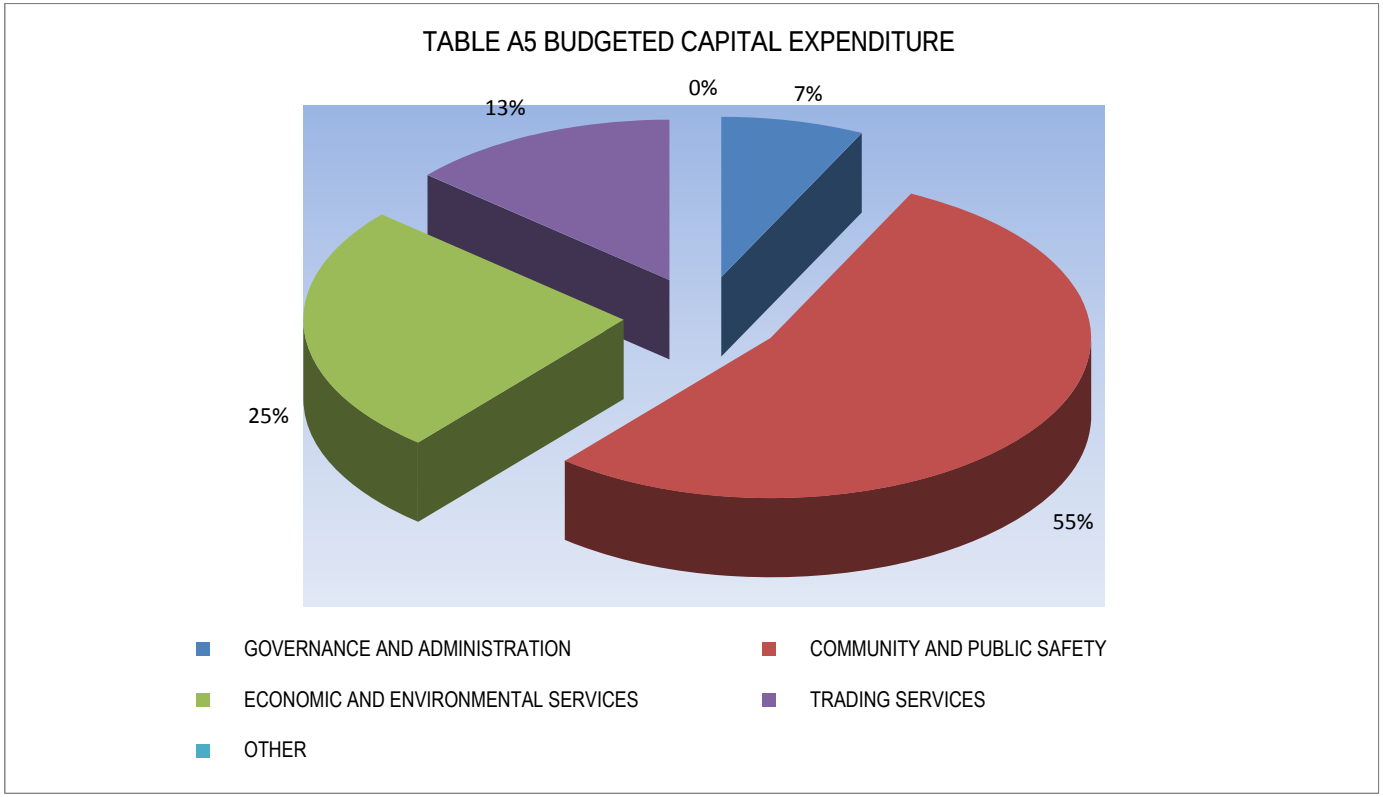
TABLE A4 BUDGETED FINANCIAL PERFORMANCE (EXPENDITURE)	
2010/2011 MTREF	
DESCRIPTION	BUDGET YEAR 2010/2011 R'000
EXPENDITURE BY TYPE	
EMPLOYEE RELATED COSTS	51818
REMUNERATION OF COUNCILLORS	11491
BULK PURCHASES	24372
CONTRACTED SERVICES	13921
OTHER EXPENDITURE	52142
TOTAL EXPENDITURE	153744



KZN284 Umlalazi - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote1 - EXECUTIVE & COUNCIL		–	2,133	45	332	281	281	–	285	42	49
Vote2 - BUDGET & TREASURY OFFICE		–	167	290	130	117	117	–	130	120	125
Vote3 - CORPORATE SERVICES		–	1,589	721	1,502	345	345	–	3,392	515	3,100
Vote4 - PLANNING & DEVELOPMENT		–	19	17	105	44	44	–	35	325	30
Vote5 - HEALTH		–	22	–	–	26	26	–	70	50	–
Vote6 - COMMUNITY & SOCIAL SERVICES		–	112	5,082	1,313	3,518	3,518	–	3,017	1,637	5,254
Vote7 - HOUSING		–	39	–	7,500	–	–	–	20,000	22,000	22,000
Vote8 - PUBLIC SAFETY		–	233	1,568	613	2,432	2,432	–	1,249	975	785
Vote9 - SPORTS & RECREATION		–	145	4,124	3,903	5,402	5,402	–	4,030	630	1,422
Vote10 - WASTE MANAGEMENT		–	1,811	1,264	5,262	2,260	2,260	–	3,246	280	80
Vote11 - ROAD TRANSPORT		–	18,461	10,398	19,695	20,198	20,198	–	13,337	24,343	19,924
Vote12 - ELECTRICITY		–	769	177	1,990	793	793	–	3,792	1,076	1,210
Vote13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–	–
Vote14 - WORKSHOP		–	–	4	200	346	346	–	60	145	–
Capital multi-year expenditure sub-total	7	–	25,501	23,690	42,545	35,761	35,761	–	52,642	52,138	53,980
Total Capital Expenditure - Vote		–	25,501	23,690	42,545	35,761	35,761	–	52,642	52,138	53,980
Capital Expenditure - Standard											
Governance and administration		–	3,890	1,056	1,964	743	743	–	3,807	677	3,274
Executive and council			2,133	45	332	281	281		285	42	49
Budget and treasury office			167	290	130	117	117		130	120	125
Corporate services			1,589	721	1,502	345	345		3,392	515	3,100
Community and public safety		–	551	10,775	13,329	11,377	11,377	–	28,365	25,292	29,461
Community and social services			112	5,082	1,313	3,518	3,518		3,017	1,637	5,254
Sport and recreation			145	4,124	3,903	5,402	5,402		4,030	630	1,422
Public safety			233	1,568	613	2,432	2,432		1,249	975	785
Housing			39	–	7,500	–	–		20,000	22,000	22,000
Health			22	–	–	26	26		70	50	–
Economic and environmental services		–	18,480	10,414	19,800	20,242	20,242	–	13,372	24,668	19,954
Planning and development			19	17	105	44	44		35	325	30
Road transport			18,461	10,398	19,695	20,198	20,198		13,337	24,343	19,924
Trading services		–	2,580	1,441	7,252	3,053	3,053	–	7,038	1,356	1,290
Electricity			769	177	1,990	793	793		3,792	1,076	1,210
Waste management			1,811	1,264	5,262	2,260	2,260		3,246	280	80
Other			–	4	200	346	346		60	145	–
Total Capital Expenditure - Standard	3	–	25,501	23,690	42,545	35,761	35,761	–	52,642	52,138	53,980
Funded by:											
National Government			19,626	18,905	39,045	31,448	31,448		52,642	49,038	53,980
Provincial Government			84								
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	–	19,710	18,905	39,045	31,448	31,448	–	52,642	49,038	53,980
Public contributions & donations	5										
Borrowing	6				3,500	4,313	4,313		–	3,100	–
Internally generated funds			5,791	4,785	–				–	–	–
Total Capital Funding	7	–	25,501	23,690	42,545	35,761	35,761	–	52,642	52,138	53,980

TABLE A5 BUDGETED CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION	
2010/2011 MTREF	
DESCRIPTION	BUDGET YEAR 2010/2011 R'000
GOVERNANCE AND ADMINISTRATION	3,807
COMMUNITY AND PUBLIC SAFETY	28,364
ECONOMIC AND ENVIRONMENTAL SERVICES	13,372
TRADING SERVICES	7,038
OTHER	60
TOTAL EXPENDITURE	52,641



KZN284 Umlalazi - Table A6 Budgeted Financial Position

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
ASSETS											
Current assets											
Cash			28	26	27	27	27		28	29	30
Call investment deposits	1	–	11,165	15,987	10,209	10,209	10,209	–	10,720	14,256	12,830
Consumer debtors	1	–	18,939	21,170	16,142	16,142	16,142	–	15,499	16,792	15,955
Other debtors			488	1,067	440	440	440		418	397	476
Current portion of long-term receivables											
			5	23	21	21	21		19	17	15
Inventory	2		1,482	1,830	1,647	1,647	1,647		1,482	1,334	1,200
Total current assets		–	32,107	40,104	28,486	28,486	28,486	–	28,166	32,825	30,506
Non current assets											
Long-term receivables			982	981	980	980	980		979	978	977
Investments			1	1	1	1	1		1	1	1
Investment property			4,834	5,931	6,431	6,431	6,431		8,821	9,321	9,821
Investment in Associate											
Property, plant and equipment	3	–	134,402	196,879	216,567	216,567	216,567	–	238,224	262,046	288,251
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		–	140,220	203,792	223,979	223,979	223,979	–	248,025	272,346	299,050
TOTAL ASSETS		–	172,327	243,895	252,465	252,465	252,465	–	276,191	305,171	329,556
LIABILITIES											
Current liabilities											
Bank overdraft	1		1,576	2,333	2,566	2,566	2,566		2,052	1,642	1,478
Borrowing	4	–	228	79	83	83	83	–	87	90	95
Consumer deposits			778	728	800	800	800		820	830	840
Trade and other payables	4	–	14,545	23,272	26,075	26,525	17,378	–	12,815	21,418	19,316
Provisions			387	537	590	590	590		600	610	620
Total current liabilities		–	17,514	26,949	30,114	30,564	21,417	–	16,374	24,590	22,349
Non current liabilities											
Borrowing		–	79	717	2,500	2,500	2,500	–	3,500	3,250	3,000
Provisions		–	7,870	9,964	7,662	7,662	7,662	–	8,428	9,271	10,199
Total non current liabilities		–	7,949	10,681	10,162	10,162	10,162	–	11,928	12,521	13,199
TOTAL LIABILITIES		–	25,463	37,630	40,276	40,726	31,579	–	28,302	37,111	35,548
NET ASSETS	5	–	146,864	206,265	212,189	211,739	220,886	–	247,889	268,060	294,008
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)			48,873	125,843	130,247	134,805	138,943		143,959	149,181	145,942
Reserves	4	–	97,991	80,422	81,943	76,934	81,943	–	103,930	118,878	148,066
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	–	146,864	206,265	212,190	211,739	220,886	–	247,889	268,060	294,008

KZN284 Umlalazi - Table A7 Budgeted Cash Flows

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		48,821	51,614	64,607	83,222	83,575	81,503	81,503	96,199	110,342	125,506
Government - operating	1	37,653	33,846	41,744	41,990	45,556	44,873	44,873	53,148	50,848	50,520
Government - capital	1	10,287	18,821	18,905	39,045	31,448	31,448	31,448	43,731	43,117	47,650
Interest		1,538	859	566	864	864	566	566	600	600	600
Payments											
Suppliers and employees		(87,723)	(88,685)	(89,242)	(116,127)	(119,794)	(114,688)	(114,688)	(138,758)	(151,160)	(166,425)
Finance charges		(248)	(90)	(43)	(41)	(41)	(41)	(41)	(36)	(32)	(29)
Transfers and Grants	1	(200)	(238)	(306)	(335)	(335)	(335)	(335)	(357)	(374)	(391)
NET CASH FROM/(USED) OPERATING ACTIVITIES		10,128	16,127	36,231	48,618	41,273	43,326	43,326	54,527	53,341	57,431
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			2,730	715	2,500	2,500			200	200	200
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(10,287)	(25,501)	(22,416)	(42,545)	(35,761)	(35,761)	(35,761)	(49,319)	(52,077)	(53,832)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10,287)	(22,771)	(21,701)	(40,045)	(33,261)	(35,761)	(35,761)	(48,819)	(51,577)	(53,332)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits		52	4	(50)	72	72	72	72	20	10	10
Payments											
Repayment of borrowing		(1,361)	(331)	(228)	(328)	(328)	(328)	(328)	(450)	(430)	(410)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,309)	(327)	(277)	(256)	(256)	(256)	(256)	(430)	(420)	(400)
NET INCREASE/ (DECREASE) IN CASH HELD		(1,468)	(6,971)	14,253	8,317	7,756	7,309	7,309	5,278	1,344	3,699
Cash/cash equivalents at the year begin:	2	1,990	522	(6,449)	7,804	16,121	23,877	16,121	23,430	28,708	30,052
Cash/cash equivalents at the year end:	2	522	(6,449)	7,804	16,121	23,877	31,186	23,430	28,708	30,052	33,751

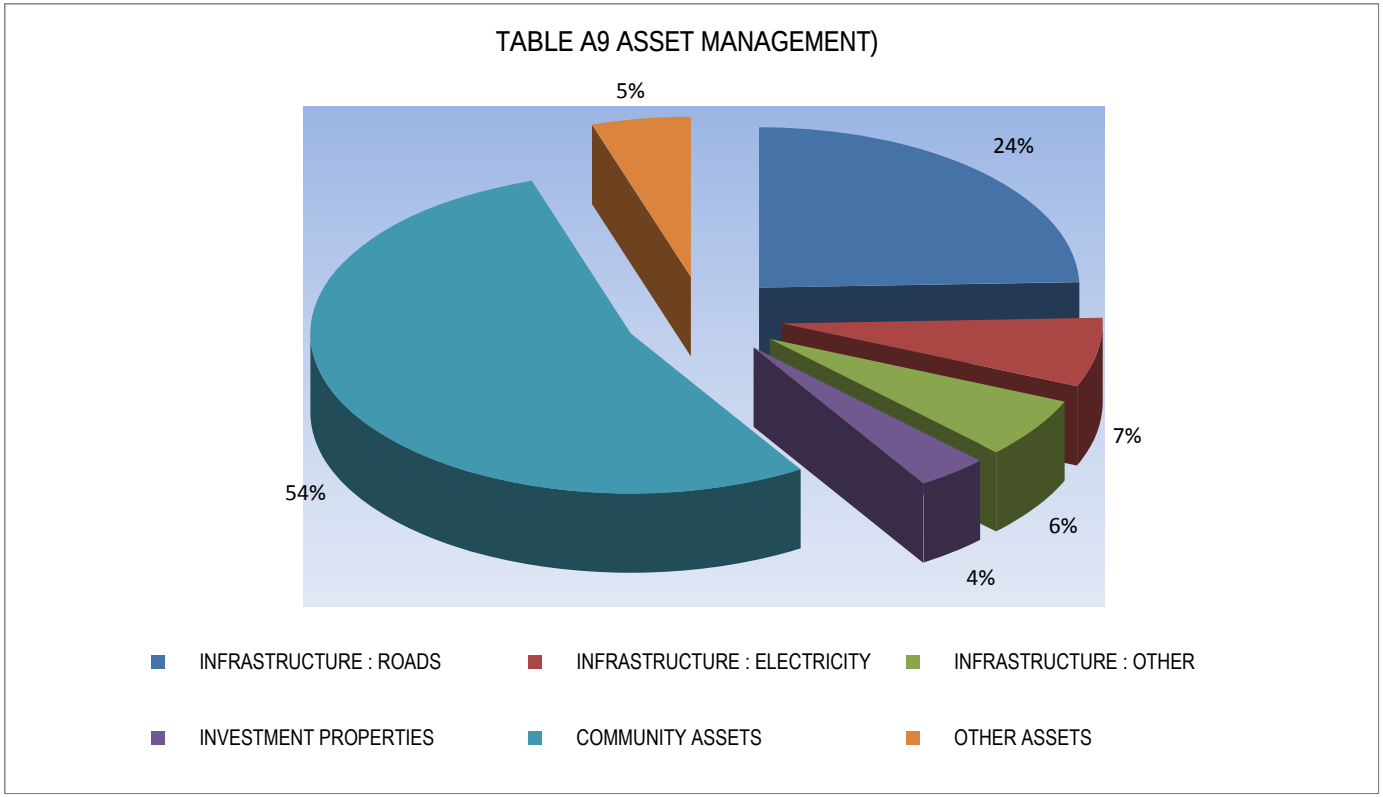
KZN284 Umlalazi - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Cash and investments available											
Cash/cash equivalents at the year end	1	522	(6,449)	7,804	16,121	23,877	31,186	23,430	28,708	30,052	33,751
Other current investments > 90 days		(522)	16,065	5,876	(8,451)	(16,207)	(23,516)	(23,430)	(20,012)	(17,409)	(22,369)
Non current assets - Investments	1	–	1	1	1	1	1	–	1	1	1
Cash and investments available:		–	9,617	13,681	7,671	7,671	7,671	–	8,697	12,644	11,383
Application of cash and investments											
Unspent conditional transfers		–	5,689	7,738	6,964	6,964	6,964	–	6,267	5,640	5,076
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	–	911	2,749	11,239	11,692	2,565	–	(2,320)	4,660	3,075
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		–	6,601	10,487	18,203	18,656	9,529	–	3,947	10,300	8,151
Surplus(shortfall)		–	3,017	3,194	(10,532)	(10,985)	(1,858)	–	4,750	2,344	3,232

KZN284 Umlalazi - Table A9 Asset Management

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
CAPITAL EXPENDITURE										
Total New Assets	1	–	21,088	21,207	40,246	33,510	33,510	49,953	45,675	50,122
Infrastructure - Road transport		–	16,106	8,158	17,964	18,622	18,622	11,422	20,278	18,674
Infrastructure - Electricity		–	–	72	1,030	30	30	3,210	425	125
Infrastructure - Other		–	1,760	1,238	4,942	1,804	1,804	3,116	80	–
Infrastructure		–	*17,866*	*9,469*	*23,935*	*20,456*	*20,456*	*17,748*	*20,783*	*18,799*
Community		–	2,142	10,657	13,758	9,411	9,411	27,981	22,950	29,573
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	1,890	–	–
Other assets	6	–	1,080	1,082	2,552	3,643	3,643	2,334	1,942	1,749
Intangibles		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	4,413	2,568	2,299	2,251	2,251	2,689	6,463	3,858
Infrastructure - Road transport		–	2,265	1,761	1,170	1,102	1,102	1,375	640	690
Infrastructure - Electricity		–	769	105	410	352	352	582	651	885
Infrastructure - Other		–	1,164	256	275	371	371	5	3,575	1,500
Infrastructure		–	*4,198*	*2,121*	*1,855*	*1,824*	*1,824*	*1,962*	*4,866*	*3,075*
Community		–	–	308	240	240	240	500	1,280	500
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	215	139	204	187	187	227	317	283
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		–	18,371	9,919	19,134	19,724	19,724	12,797	20,918	19,364
Infrastructure - Electricity		–	769	177	1,440	382	382	3,792	1,076	1,010
Infrastructure - Other		–	2,924	1,494	5,217	2,174	2,174	3,121	3,655	1,500
Infrastructure		–	*22,064*	*11,590*	*25,790*	*22,280*	*22,280*	*19,710*	*25,649*	*21,874*
Community		–	2,142	10,965	13,998	9,651	9,651	28,481	24,230	30,073
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	1,890	–	–
Other assets		–	1,295	1,220	2,756	3,830	3,830	2,561	2,259	2,032
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	–	25,501	23,775	42,545	35,761	35,761	52,642	52,138	53,980
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport			18,371	9,919	19,134	19,724	19,724	12,797	20,918	19,364
Infrastructure - Electricity			769	177	1,440	382	382	3,792	1,076	1,010
Infrastructure - Other			2,924	1,494	5,217	2,174	2,174	3,121	3,655	1,500
Infrastructure		–	*22,064*	*11,590*	*25,790*	*22,280*	*22,280*	*19,710*	*25,649*	*21,874*
Community			2,142	10,965	13,998	9,651	9,651	28,481	24,230	30,073
Heritage assets										
Investment properties		–	4,834	5,931	6,431	6,431	6,431	8,821	9,321	9,821
Other assets			1,295	1,220	2,756	3,830	3,830	2,561	2,259	2,032
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	30,335	29,706	48,976	42,192	42,192	59,573	61,459	63,801
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		–	4,915	5,603	5,659	5,659	5,659	5,263	5,652	5,991
Repairs and Maintenance by Asset Class	3	–	2,507	6,671	6,337	7,028	6,579	5,215	5,746	5,971
Infrastructure - Road transport		–	313	941	1,463	1,839	1,851	1,794	2,077	2,139
Infrastructure - Electricity		–	413	638	988	958	844	1,016	1,100	1,169
Infrastructure - Other		–	120	898	399	588	470	328	342	360
Infrastructure		–	*846*	*2,477*	*2,850*	*3,385*	*3,165*	*3,138*	*3,519*	*3,668*
Community		–	1,312	2,731	2,483	2,653	2,471	1,570	1,681	1,702
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	–	349	1,464	1,004	989	943	507	546	601
TOTAL EXPENDITURE OTHER ITEMS		–	7,422	12,274	11,996	12,687	12,238	10,478	11,398	11,962
% of capital exp on renewal of assets		*0.0%*	*20.9%*	*12.1%*	*5.7%*	*6.7%*	*6.7%*	*5.4%*	*14.2%*	*7.7%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*89.8%*	*45.8%*	*40.6%*	*39.8%*	*39.8%*	*51.1%*	*114.3%*	*64.4%*
R&M as a % of PPE		*0.0%*	*1.9%*	*3.4%*	*2.9%*	*3.2%*	*3.0%*	*2.2%*	*2.2%*	*2.1%*
Renewal and R&M as a % of PPE		*0.0%*	*23.0%*	*31.0%*	*18.0%*	*22.0%*	*21.0%*	*13.0%*	*20.0%*	*15.0%*

TABLE A9 ASSET MANAGEMENT	
2010/2011 MTREF	
DESCRIPTION	BUDGET YEAR 2010/2011 R'000
ASSET REGISTER SUMMARY	
INFRASTRUCTURE : ROADS	12797
INFRASTRUCTURE : ELECTRICITY	3792
INFRASTRUCTURE : OTHER	3121
INVESTMENT PROPERTIES	1890
COMMUNITY ASSETS	28481
OTHER ASSETS	2561
TOTAL CAPITAL EXPENDITURE	52642



KZN284 Umlalazi - Table A10 Basic service delivery measurement

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Energy:										
Electricity (at least min.service level)		675	1,074	991	1,412	1,412	1,412	1,552	1,707	1,878
Electricity - prepaid (min.service level)		1,889	2,496	2,772	3,949	3,949	3,949	4,340	4,774	5,251
Minimum Service Level and Above sub-total		2,564	3,570	3,763	5,361	5,361	5,361	5,892	6,481	7,129
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		412	474	309	461	461	461	583	721	793
Below Minimum Service Level sub-total		412	474	309	461	461	461	583	721	793
Total number of households	5	2,976	4,044	4,072	5,822	5,822	5,822	6,475	7,202	7,922
Refuse:										
Removed at least once a week		2,974	4,042	4,070	5,820	5,820	5,820	6,473	7,200	7,920
Minimum Service Level and Above sub-total		2,974	4,042	4,070	5,820	5,820	5,820	6,473	7,200	7,920
Removed less frequently than once a week										
Using communal refuse dump		2	2	2	2	2	2	1	2	2
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total		2	2	2	2	2	2	1	2	2
Total number of households	5	2,976	4,044	4,072	5,822	5,822	5,822	6,475	7,202	7,922
Households receiving Free Basic Service	7									
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		–	–	–	–	–	–	–	–	–
Highest level of free service provided										
Property rates (R'000 value threshold)		50	50	50	50	50	50	50	50	50
Electricity (kwh per household per month)		50 kWh	50 kWh	50 kWh	50 kWh	50 kWh	50 kWh	50 kWh	50 kWh	50 kWh
Refuse (average litres per week)		FREE REFUSE IS EQUAL TO THE AMOUNT PAYABLE PER MONTH								
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)								4,947	2,417	2,658
Property rates (other exemptions, reductions and rebates)		4,997	5,888	6,899	11,766	11,766	11,766	6,477	9,053	8,185
Electricity/other energy		267	353	401	664	611	611	972	972	1,134
Refuse		234	318	409	435	459	459	559	686	795
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of free services provided (total social package)		5,498	6,559	7,709	12,865	12,836	12,836	12,955	13,128	12,772

5. OVERVIEW OF ANNUAL BUDGET PROCESS

5.1 Process to prepare budget

The budget and IDP process occurred according to the budget timetable approved by Council in August 2009. The Draft Budget and MTREF was also prepared taking cognizance of the contents of the LG: MFMA, Act No. 56 of 2003, Circular No.51 and the LG: MFMA Budget Formats Guide received from National Treasury.

5.2 Service Delivery and Budget Implementation

Section 1 of the Local Government: Municipal Finance Management Act (No.56 of 2003) defines the
SDBIP as:

> " a detailed plan approved by the mayor of a municipality in terms of section 53 (1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:
> (a) projections for each month of-
> (i) revenue to be collected, by source; and
> (ii) operational and capital expenditure, by vote;
> (b) service delivery targets and performance indicators for each quarter".

The municipal manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June). However, the municipal manager should start the process to prepare the top-layer of the SDBIP no later than the tabling of the budget (around March or earlier) and preferably submit a draft SDBIP to the mayor by 1 May (for initial approval). Once the budget is approved by the Council, the municipal manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days after the approval of the budget. The mayor should therefore approve the final SDBIP and performance agreements simultaneously, and then make the SDBIP and performance agreement of the municipal manager public within 14 days, preferably before 1 July. Note that it is only the top layer (of high-level) detail of the SDBIP that is required to be made public.

It is the output and goals made public in the SDBIP that will be used to measure performance on a quarterly basis during the financial year. Note that such in-year monitoring is meant to be a light form of monitoring. The council should reserve its oversight role over performance at the end of the financial year, when the mayor tables the annual report of the municipality. The in-year monitoring is designed to pick up major problems only, and aimed at ensuring that the mayor and municipal manager are taking corrective steps when any unanticipated problems arise. The SDBIP serves a critical role to focus both the administration and council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

Hereafter follows the Service Delivery and Budget Implementation Plan (SDBIP) for the 2010/2011 budget year:

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Municipal Managers Office												
Vote: Executive and Council												
1. Mayoral Office												
Report on implementation of budget	Submit quarterly to Council	3				1		1		1		
Performance indicators in S D B I P	Made public in July 2010	1		1								
Performance agreements in S D B I P	Made public in July 2010	1		1								
Time schedule of key deadlines for budget and IDP process	Tabled in August 2010	1		1								
Mid year performance assessment report	Tabled in January 2011	1						1				
Adjustments budget	Tabled in January 2011	1						1				
Annual report	Tabled in January 2011	1						1				
Draft budge, revisions to IDP, resolutions and other related documents	Tabled in March 2011	1						1				
	Addressed in March 2011	1						1				
Issues raised in Auditors-General report	No. of meetings in April 2011	3								3		
Consultation on draft budget	Amends budget in May 2011	1								1		
Responds to submissions of community Service Delivery and Budget Implementation Plan	Approve in May 2011	1								1		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
2. Municipal Manager												
Monthly budget statement to Mayor and PT	No of statements	11		3		2		3		3		
Monthly budget statements and mid year budget and performance assessment	Consolidate in July 2010	1		1								
Consolidated report of withdrawals	Table quarterly	4		1		1		1		1		
Report to Council on the expenditure incurred on staff salaries, wages, allowances & benefits	Submit quarterly to Council	4		1		1		1		1		
Time schedule of key deadlines for budget and IDP process	Made public in August 2010	1		1								
Annual financial statements to Auditor General	Submit end August 2010	1		1								
IDP consultation processes	Start in August 2010	7		4		3						
Internal Strategic Consultation processes	Begins in September 2010	6		3				3				
Engages with national and provincial sector Depts. on sector specific programmes for alignment with IDP	Begins September 2010	4		4								
Impact of different service delivery levels on rates and tariffs	Inform community in Oct 2010	1				1						
National policies, budget plans and potential price Increases of bulk resources	Review with dept heads in Oct 2010	1				1						
Changes to the IDP for incorporation into IDP review	Review in November 2010	1				1						
Mid year performance assessment report to Mayor, N T & P T	Submit in January 2011	1						1				
Annual report	Made public in March 2011	1						1				
Annual report to AG, PT and D T & LG	Submit in March 2010	1						1				
National and Provincial allocations	Review in February 2011	1						1				

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Municipal Manager (continues)												
Draft budget and plans for next 3 years to Mayor	Submit in March 2011	1						1				
Oversight report of annual report	Made public in March 2011	1						1				
Draft budget, plans and proposed revisions to IDP	Publish in March 2011	1						1				
Approved budget and budget related policies	Publish in June 2011	1								1		
SDBIP and annual performance agreement to Mayor	Submit in June 2011	1								1		
Approved SDBIP to National Treasury	Submit in June 2011	1								1		
Communication Plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Public/Private partnerships strategy	Complete on 30 June 2011	100%				50%		75%		100%		
Review LED plan	Complete on 30 June 2011	100%				50%		75%		100%		
LED business forums	No of meetings in each ward	4		1		1		1		1		
Involve ward committees and CDW's in IDP process	Start in September 2010	3		2		1						
Local economic development projects	No of projects	2				1				1		
Almend and align PMS and budget for municipality to align with IDP	Complete on 30 June 2011	100%				50%		75%		100%		
Establish sustainable SMME	No of SMME's, funded and functional	20%				10%				20%		
Introduce bi-annual meetings between Council & Amakhosi	Bi-annual meetings	2				1				1		
Good governance and service delivery	No of training workshops	4		1		1		1		1		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Corporate Services												
1. Vote: Finance & Administration												
1.1 Administration												
Compilation Agenda & Minutes	No of Agendas and Minutes	100		25		25		25		25		
Enquiries and complaints	No of replies	120		30		30		30		30		
Municipal Website	No of uploads	12		3		3		3		3		
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Training needs of staff & Councillors	Submit report by June 2011	50%				25%				50%		
Workplace skills plan	Completion and adoption by 30 June 2011	100%				25%		75%		100%		
Implement employee readiness and wellness programme	Complete by 30 June 2011	100%				25%		75%		100%		
Implement HR strategy	Workshop by January 2011	100%		50%		100%						
Amend and align municipal organizational structure with IDP	Complete by 30 June 2011	100%				25%		75%		100%		
Employment equity plan	Reports to EXCO	4		1		1		1		1		
Complete LUMS for rural areas	Complete by 30 June 2011	100%				25%		75%		100%		
Mbongolwane Wetland declared as protected area	Complete by June 2011	100%				25%		75%		100%		
Draft 2011/2012 budget	Submit in November 2010	1				1				1		
Publish draft 2011/2012 budget	Publish in April 2011 & website	1								1		
Draft SDBIP	Submit in February 2011	1						1				
Approved 2010/2011 budget	Published in June 2010	1		1								
Performance agreement and SDBIP	Made public in July 2010	1		1								
Investigate feasibility of establishing light industry at Glng	Complete by 30 June 2011	100%				25%		75%		100%		
Implement tourism plan	Complete by 30 June 2011	100%				25%		75%		100%		
Implement urban design project in Eshowe	Complete by 30 June 2011	100%				25%		75%		100%		
Purchase furniture and fittings	Deliver in October 2010	1				1						
Purchase IT equipment	Deliver in November 2010	1				1						
Purchase Spoornet property in Gingindlovu	Complete by 31 December 2010	100%		25%		100%						

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Corporate Services (continues)												
1.2 Office of the Mayor												
Purchase Computer	Deliver in August 2010	1		1								
Purchase Furniture	Deliver in September 2010	1		1								
Purchase pool vehicle	Deliver in July 2010	1		1								
1.3 Town Hall & Offices												
Purchase of equipment and fittings	Deliver in December 2010	1				1						
Upgrade Sunnydale Hall	Complete by November 2010	100%				100%						
Upgrade Mpushini Hall	Complete by February 2011	100%				50%		100%				
Upgrade King Dinuzulu Hall	Complete by April 2011	100%								100%		
1.4 Libraries												
Purchase equipment, furniture and fittings												
Purchase IT equipment	Deliver in March 2010	1						1				
	Deliver in November 2010	1				1						
1.5 Tourism												
Purchase of equipment and fittings	Deliver in March 2010	1						1				
2. Vote: Housing												
Housing sector plan												
Housing scheme-Gingindlovu	Complete by 30 June 2011	100%				25%		75%		100%		
	Project complete by June 2011	100%				25%		75%		100%		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Protection Services (Manager: Protection Services)												
1. Vote: Finance & Admin (Protection Services)												
Compilation Agenda & Minutes	No of agendas and minutes	24		6		6		6		6		
Enquiries and complaints	No of replies	100		25		25		25		25		
Draft 2011/2012 budget	Submit in November 2010	1				1						
Draft SDBIP	Submit in February 2011	1						1				
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
2. Vote: Public Safety												
2.1. Traffic												
Road safety projects	No of projects	20		5		5		5		5		
Road signs	No of signs	60		15		15		15		15		
Road markings	No of kilometers	60		15		15		15		15		
Crime consultative meetings	No of meetings	12		3		3		3		3		
Establish community safety forum	No of schools visited	6				3				3		
Prepare and implement a safety plan	Complete by 30 June 2011	100%				25%		50%		100%		
Patrol vehicles	Deliver in October 2010	100%				100%						
Breathalyzers	Deliver in July 2010	100%		100%								
Blometric security system	Deliver in November 2010	100%				100%						
Fire Arms	Deliver in September 2010	100%		100%								
2..2 Fire Fighting												
Fire inspections-businesses	No of inspections	100		25		25		25		25		
Municipal disaster management plan	No of awareness campaigns	2		1				1				
Rural fire prevention training	No of training sessions	3		1		1		1				
Equipment for fire stations	Deliver in October 2010	100%				100%						
Fire fighting equipment	Deliver in November 2010	100%				100%						
Medical rescue equipment	Deliver in November 2010	100%				100%						
Fire Station furniture	Deliver in October 2010	100%				100%						
Emergency communications centre system	Deliver in January 2011	100%						100%				
Computer equipment	Deliver in February 2011	100%						100%				
3. Vote: Road Transport												
3.1 Testing Grounds												
Examination of vehicles	No of vehicles	800		200		200		200		200		
Motor registration & licensing: Eshowe	Units of one hundred	120		30		30		30		30		
Driver's Licenses: Bookings	No of bookings	1200		300		300		300		300		
Passed	No of passes	560		140		140		140		140		
Learners licenses: Bookings	No of bookings	1800		450		450		450		450		
Passed	No of passes	480		120		120		120		120		
Brake tester	Deliver in August 2010	100%		100%								

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Community Services (Manager: Community Services												
1. Vote: Finance & Admin												
Compilation Agenda & Minutes	No of agendas and minutes	40		10		10		10		10		
Enquiries and complaints	No of replies	100		25		25		25		25		
Draft 2011/2012 budget	Submit in November 2010	1				1						
Draft SDBIP	Submit in February 2011	1						1				
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Liaison with Dept of health to ensure an		1								1		
acceptable level of health care	No of consultations	4		1		1		1		1		
Liaison with UDM and Coastal Management		1								1		
working group	No of meetings	4		1		1		1		1		
SMME"s establishment at Eshowe bus rank	No of SMME's established	4		1		1		1		1		
Furniture	Delivered in February 2011	100%						100%				
2. Vote: Community & Social Services												
Cemeteries graves	No of graves dug	960		240		240		240		240		
Cemetery pathways	No of square meters cleaned	1000		250		250		250		250		
Tractor	Deliver in November 2010	1				1						
Vehicle (4x2)	Deliver in August 2010	1		1								
Playground equipment	Deliver in January 2011	100%				75%		100%				
Sports development	No of events	2		2								
Cultural development	No of events	1		1								
HIV relief	No of assistance rendered	10		2		2		2		4		
Youth Development Programmes	No of programmes	2		1		1						
Palisade fencing at Eshowe cemetry	Complete in December 2010	100%				100%						
3. Vote: Sport & Recreation												
Weed eradication programme	Programme completed (hectares)	100		25		25		25		25		
Grass cutting programme	No of hectares cut	900		225		225		225		225		
Work creation	No of temp jobs created	100		25		50		75		100		
Brushcutters	Delivered in September 2010	100%		100%								

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Financial Services Chief Financial Officer												
1. Vote: Finance & Admin												
Upgrade of IT equipment	Completed in April 2011	100%								100%		
Upgrade of office	Completed in October 2010	100%				100%						
Furniture & equipment	Deliver in December 2010	100%				100%						
Communication Plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
1.1 Budget & Management Accounts												
Compilation of financial statements in terms of MFMA	Submit by 31 August 2010	1		1								
Time schedule of key deadlines for 2011/2012 budget	Submit in August 2010	1		1								
Budget Statement	No of statements	11		3		3		3		3		
Implementation of the budget	No of reports	4		1		1		1		1		
Consolidate and prepare proposed 2011/2012 budget	Start in December 2010	1				1						
6 monthly budget statements	Tabled in January 2011	1						1				
Adjustment budget for 2010/2011	Tabled in January 2011	1						1				
Change in budget related policies	Finalized in March 2011	1						1				
Align municipal budget with IDP	Alignment in March 2011	1						1				
Draft 2010/2012 budget	Tabled in March 2011	1						1				
Draft SDBIP for 2011/2012	Tabled in March 2011	1						1				
Primary banking detail to Provincial Treasury and Auditor General	Forwarded in March 2011	1						1				
Draft 2011/2012 budget to National Treasury (3 copies)	Forwarded in April 2011	1								1		
Draft 2011/2012 budget to Provincial Treasury (1 copy)	Completed and mailed in April 2011	1								1		
Appendix A completed and sent to PT & NT	Completed and mailed in April 2011	1								1		
Final 2011/2012 budget	Tabled in May 2011	1								1		
Final 2011/2012 budget to National Treasury	Forwarded in June 2011	1								1		
Final SDBIP for 2011/2012	Approved in June 2011	1								1		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Financial Services Chief Financial Officer												
1.2 Revenue												
Report on credit control, debt collection & indigent management to Finance Committee	No of reports	11		3		2		3		3		
Meetings with Council's attorneys to discuss progress on handed over debtors	No of meetings	4		1		1		1		1		
Steering committee meetings to monitor progress of second round of valuations	No of meetings	12		3		3		3		3		
Debtor reconciliations	Completed by the 15th of the month	12										
1.3 Expenditure												
SCM Policy-revise	Completed by December 2010	100%				100%						
DoRA reports on all grants received	Submitted monthly	100%		100%		100%		100%		100%		
SCM reports in accordance with regulations, policy & procedures	Submitted monthly	12		3		3		3		3		
Payroll is completed timorously & accurately	Completed within 7 working days of the end of the month	100%		100%		100%		100%		100%		
Payment of creditors on time in terms of Section 65 of MFMA	No of creditors paid on time	100%		100%		100%		100%		100%		
Ensure procurement policy is gender & disabled sensitive	Bi annual reports to EXCO	2%				1%				2%		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Technical Services (Manager Engineer Services)												
Vote: Finance & Administration												
Compilation Agenda & Minutes	No of agendas	66		15		10		12		15		
Enquiries and complaints	No of replies	100		25		25		25		25		
Draft 2011/2012 budget	Submit in November 2010	1				1						
Draft SDBIP	Submit in February 2011	1						1				
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
IT equipment	Deliver in November 2010	100%				100%						
Blinds for secretary's office	Completed by August 2010	100%		100%								
Filing cabinets	Deliver in October 2010	100%				100%						
Brush cutters-Mtunzini	Deliver in November 2010	2				2						
Camera	Deliver in August 2010	1		1								
Vote: Planning & Development												
Building inspections conducted	No of building inspections	100		25		25		25		25		
Property inspections conducted	No of property inspections	200		50		50		50		50		
Vote: Community & Social Services												
Study to determine backlog of services	Report submitted 30/06/11	100%				50%		75%		100%		
Consult with UDM that water & sanitation needs are catered for in the UDM (WSDP)	No of reports to portfolio committee	4		1		1		1		1		
Consult with Eskom and UDM so that uMlalazi residents receive free basic electricity.	No of reports to portfolio committee	4		1		1		1		1		
Ncekuya classroom/crèche (Ward 3)	Complete by February 2011	100%				50%		100%				
Safube crèche (Ward 16)	Complete by October 2010	100%		50%		100%						
Zamokhule crèche (Ward 24)	Complete by March 2011	100%				50%		100%				
Insala crèche(Ward 20)	Complete by October 2010	100%		50%		100%						
Musibeni crèche (Ward 3)	Complete by March 2011	100%				50%		100%				
Vote: Sports & Recreation												
Sithilo Sports field (Ward 2)	Complete by December 2010	100%		50%		100%						
Mabhoweni sport field (Ward 17)	Complete by September 2010	100%		100%								
Nyanini sportsfield (Ward 13)	Complete by March 2011	100%				50%		100%				
Hlohloko sports field(Ward 8)	Complete by February 2011	100%				50%		100%				
Nkanini Sportsfield	Complete by August 2010	100%		100%								
Vote: Refuse Removal												
Municipal integrated waste management plan	No of reports to Portfolio committee	4		1		1		1		1		
Rehabilitation of refuse site	Complete in November 2010	100%				75%		100%				
Refuse skips and mass containers	Delivered in November 2010	100%				100%						
Refuse bins	Delivered in October 2010	100%				100%						

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Vote: Road Transport												
Municipal services infrastructure maintenance plan-buildings	No of reports to Portfolio committee	4		1		1		1		1		
Municipal roads programme	No of reports to Portfolio committee	4		1		1		1		1		
Storm Water Management	Complete by March 2011	100%		50%		75%		100%				
Pavement management	Complete by March 2011	100%		50%		75%		100%				
Radios	Deliver in March 2011	100%						100%				
Main street parking upgrade-Gingindlovu	Complete in December 2010	100%		25%		100%						
Sidewalks	Complete by April 2011	100%		25%		50%		75%		100%		
Roads signs and cones	Deliver in October 2010	100%				100%						
Staff accommodation upgrade	Complete in November 2010	100%				100%						
Public transport facilities	Complete in March 2011	100%		50%		75%		100%				
Speed humps	Complete by March 2011	100%		50%		75%		100%				
Tractor	Deliver in November 2010	1				1						
Catchpits and manhole covers	No. to be completed	40				100%						
D135 Kwa khoza Road	Complete by May 2011	100%		10%		25%		50%		100%		
Shakaland Road	Complete by September 2010	100%		100%								
Inhlababo Causeway	Complete by March 2011	100%				50%		100%				
Ethando River causeway	Complete by July 2010	100%		100%								
Nhlanzanyoni causeway(Ward 7)	Complete by April 2011	100%		10%		25%		50%		100%		
Matushtswo causeway (Ward 24)	Complete by February 2011	100%				50%		100%				
Mbongolweni Mthembu causeway	Complete by June 2011	100%				25%		50%		100%		
Ngoje road Ward 8)	Complete by 30 February 2011	100%				50%		100%				
Kwamodlo Bus shelter	Complete by 30 November 2010	100%		50%		100%						
Ging taxi Rank	Complete by September 2010	100%		100%		25%		50%		100%		
Rural roads/causeways (Equit share)	Complete by 30 April 2011	100%										
Rehabiliation of urban roads(equit share)	Complete by 30 April 2011	100%				25%		50%		100%		
Eshowe Bus & Taxi rank-informal trading proj	Complete by July 2010	100%		100%								
Vote: Electricity												
2x complete 3 way ring main units	Deliver in November 2010	2				2						
1x complete 4 way ring main unit	Deliver in January 2011	1						1				
315kva mini sub station transformer	Deliver in October 2010	100%				100%						
Upgrade robot control system	Complete in February 2011	100%						100%				
Upgrade street lights	Complete in October 2010	100%				100%						
Transformers (indoors)	Deliver in November 2010	100%				100%						
Single phase pre paid electricity meters	Deliver in December 2010	100%				100%						
New Sunnydale housing streetlights	Complete in September 2010	100%		100%								
Electrification of Sunnydale housing	Complete in November 2010	100%				100%						
Robots Sunnydale intersection	Complete in August 2010	100%		100%								
Vote: Other												
Municipal services infrastructure maintenance plan-vehicles	No of reports to Portfolio committee	4		1		1		1		1		
Staff clock	Install in October 2010	1				1						
Tools	Deliver in September 2010	100%		100%								
Community seating: barriers and shelters (Equitable share)	Complete by 31 March 2011	100%						100%				

5.3 Review of draft Integrated Development Plan (IDP)

Hereunder follows the summary of the draft IDP process:

TARGET DATE	IDP PROCESS PLAN - OBJECTIVE / ACTION
FIRST QUARTER	
JULY	
10	Preparation of draft Process Plan
AUGUST	
3	Consideration of draft Process Plan by EXCO
SEPTEMBER	
Tbd	UDM Consultation with Sector Department/ Service Providers (Serv Prov & KZ Alignment meetings)
17, 18	UDM Growth and Development Summit / IDP Rep Forum
28	Approval of draft Process Plan by Council
SECOND QUARTER	
OCTOBER	
7	Amakhosi Meeting 1: Presentation and discussion of the IDP Process Plan
14	Combined Ward Committee Meeting 1: Presentation and discussion of the IDP Process Plan (including capacity building)
Tbd	UDM Consultation with Sector Department/ Service Providers (Serv Prov & KZ Alignment meetings)
16	UDM Cross border municipal alignment
1-31	Review Current Reality & Priority Issues, Strategic Content (Goals/Objectives & Development Strategies)
NOVEMBER	
9	Manco Strategic Session: Current Reality, Priority Issues, Strategic Content (Goals/Objectives & Development Strategies)
Tbd	UDM Roadshows 1 (combined with uMlalazi Roadshow 1)
18	Exco & Council Workshop 1: Current Reality & Priority Issues, Review Vision & Mission, Strategic Content (Goals/Objectives & Development Strategies) Strategic Content (Goals/Objectives & Development Strategies)
25	Local Representative Forum Meeting 1: Current Reality & Priority Issues, Vision & Mission, Strategic Content (Goals/Objectives & Development Strategies)
THIRD QUARTER	
JANUARY	
15	Manco Strategic Session: Projects & Prioritisation, available Resources & 1st phase OPMS
27	Exco & Council Workshop 2: Projects & Prioritisation, available Resources & 1st phase of OPMS
FEBRUARY	
12	Manco Strategic Session: Budget Allocation
17	Exco & Council Workshop 3: Budget Allocation
26	Conclusion of Sector Plans initiated and integration into the IDP Review report.
MARCH	
3	UDM KZ Alignment Meeting
1-19	Finalise draft IDP
23	Local Representative Forum Meeting 2: Projects & Prioritisation, Budget Allocation
29	Council to adopt the final draft municipal Budget & IDP and resolve to advertise for public comment.
31	Publish final draft IDP for comment (21 days)
31	Draft IDP submission to DTLGA
FOURTH QUARTER	
APRIL	

TARGET DATE	IDP PROCESS PLAN - OBJECTIVE / ACTION
29 March – 2 April	Assessment of Draft IDP by Provincial IDP Forum
8	Combined Ward Committee Meeting 2: : Presentation and Discussion of Draft IDP
13	Amakhosi Meeting 2: Presentation and Discussion of Draft IDP
15	UDM IDP Representative Forum meeting 2 - Final draft IDP
16	Local Representative Forum Meeting 3: : Presentation and Discussion of Draft IDP
21	Comment period (21 days) ends
MAY	
Tbd	Assessment of Draft IDP by Provincial IDP Forum as a family of municipalities - Adjust draft Multi-year Implementation Programme subsequent to assessment process (if needed)
Tbd	Assess & incorporate comments - Adjust the draft municipal IDP where necessary
18 - 21	uMlalazi Roadshows 2: Presentation and Discussion of Draft IDP
29	Final approval of Budget & IDP by Council - (at least 30 days before start of budget year)
29	Submission of IDP to DTLGA (within 10 days)
JUNE	
30	Publish adopted budget and IDP

5.4 Consultation process

Consultations with the community were scheduled as follows:

Venue	Date	Time
Mthunzini Community Hall	21 April 2010	17:30pm
King Dinuzulu Community Hall	18 April 2010	14:00pm
Sunnydale Community Hall	25 April 2010	14:00pm
Mpushini Park Community Hall	3 May 2010	17:30pm
Norwood Park Hall	10 May 2010	18:00pm

5.5 Schedule of key deadlines

Hereunder is the schedule of key deadlines that was approved by Council in August 2009:

No	Contents	Effective Date
1	Time schedule outlining key deadlines submitted to Council	31 August 2009
2	5 year Capital Programme submitted to Mayor and Managers for amendments.	7 September 2009
3	Operating draft blank budget submitted to Mayor and Managers to be used as working documents.	5 October 2009
4	Review the IDP	August 2009
5	5 year Capital Programme returned to Finance Department.	23 October 2009
6	Compiled draft 3 year Capital budget revised by MANCO	9 November 2009
7	Workshop with Councillors on Capital Draft Budget	23 November 2009
8	Operating Draft budget returned to Finance Department.	30 November 2009
9	Compiled draft 3 year Operating budget revised by MANCO	25 January 2010
10	Adjustment budget submitted to Council	25 January 2010
11	Draft Capital/Operating Budget submitted to MANCO	15 February 2010
12	Draft SDBIP revised by MANCO	22 February 2010
13	Draft Capital/Operating Budget submitted to Council	29 March 2010
14	Advertise notice of Draft budget	30 March 2010
15	Public meetings will take place.	April 2010
16	Revised draft budgets submitted to EXCO	3 May 2010
17	Revised draft budget submitted to Council	24 May 2010
18	Final approval of budgets by Council	31 May 2010
19	Budgets advertised and placed on website within 5 days of approval.	31 May 2010

6. Overview of alignment of annual budget with Integrated Development Plan

6.1 Details of proposed amendments to the IDP. Hereunder follows the amendments on the draft implementation plan:

Key Performance Area 1: Municipal Transformation and Organizational Development						
Development Goals ▪ To facilitate the process towards achieving a development-orientated municipality ▪ To build capacity among officials and councilors to lead and manage development throughout the Municipality						
Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
To develop staff and councilor skills to ensure effective service delivery	▪ Continuously identify staff and councilor training needs ▪ Implementation of the Workplace Skills Plan	R300,000 internal	a) Identify training requirements in terms of Council functionality and conduct skills audit for staff and councilors. b) Implement Workplace skills Plan in conjunction with skills audit.	a) Implement a minimum of 50% of training needs identified in skills audit. b) Completion and adoption of skills plan b 30 June 2011.	▪ Corporate Services ▪ Corporate Services	▪ 30/06/2011 ▪ Ongoing
To improve effective and efficient communication between internal staff and Council	▪ Implement Revised Communication Plan	internal	a) Monthly Meetings with Staff b) Section 57 Managers to attend 12 EXCO Meetings c) Conduct regular team building sessions d) Conduct departmental strategic planning and review meetings	a) Conducted every first week of the month totaling 12 meetings yearly b) Conduct 12 feedback staff meetings two days after EXCO meeting. c) Two measurable teambuilding sessions per financial year. d) Conduct strategic planning session in January and 12 follow up meetings on agreed performance objectives	▪ All Departments	▪ Ongoing
To improve productive and accountable staff	▪ Amend and align PMS and Budget for Municipality to align with IDP ▪ Implement Employee Readiness and Wellness Programme ▪ Implement HR Strategy	R100,000 R60,000 internal	a) Amended and aligned PMS, Budget and IDP b) Ensure that individual Performance Management System for Section 57 Managers is updated to Council for approval a) Compile terms of reference for service provider. b) Call for Proposals. c) Evaluate and appoint Service Provider d) Institute programme of awareness for Staff e) Workshop Managers and Staff on HR Strategy	a) Complete amended and aligned PMS, Budget and IDP by 30 June 2010 b) Submit signed Section 57 Performance Plans to Council by 31 July 2010 a) Implementation of Employee Readiness and Wellness Programme and report quarterly to Local Labour Forum. b) HR Strategy workshopped by January 2011.	▪ Deputy MM • Corporate Services • Corporate Services	▪ 30/06/2011 • 30/06/2011 • 30/06/2011
To ensure that Organisational	▪ Amend and align the Municipal	R250,000	a) Compile terms of reference for service provider.	a) Complete amended Organisational Structure	▪ Corporate Services	▪ 30/06/2011

Key Performance Area 1: Municipal Transformation and Organizational Development						
Structure of the Municipality is fully aligned with the Municipality's developmental mandate	Organisational Structure with the IDP		b) Call for Proposals. c) Evaluate and appoint Service Provider d) Maintain and Strengthen GIS System			
Public / Private Partnerships	▪ Prepare Public / Private Partnerships Strategy	internal	a) Research private enterprises which could be interested in forming partnerships with the Municipality in respect of service provision and LED b) Together with such identified private enterprises, prepare and implement Public / Private Partnerships Strategy	a) Completed database of possible private enterprises which could be interested in forming partnerships with the Municipality in respect of service provision and LED b) Completed Public / Private Partnerships Strategy	▪ Deputy MM	▪ 30/06/2011

Key Performance Area 2: Basic Service Delivery						
Development Goal						
▪ To facilitate the delivery of basic services, namely water, sanitation and electricity as a 1st priority ▪ To facilitate the delivery of all other required infrastructure and services, such as access roads, telephones, postal services, clinics, schools, community halls, sport fields and facilities, pension payout points, police stations, housing, etc. in a sustainable manner						
Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
To ensure the provision, upgrading and maintenance of Infrastructure and Services to address Backlogs	▪ Conduct a study to determine the backlogs within the Municipality with regards to all services and infrastructure	R300,000	a) Other sector Departments and Uthungulu DM are contacted for the number of backlogs b) Project prioritization model be approved and implemented to ensure reduction on infrastructure backlogs	• To ensure that the minimum standards for basic services are achieved in line with developmental objectives by 2014. Progress be reported to the Engineering Services	• Eng. Services	• 30/06/2011
	▪ To consult with UDM so that water and sanitation needs are catered for in the UDM (WSDP)	internal	• The uMlalazi Comprehensive Infrastructure plan be developed and implemented in consultation with Uthungulu DM.	• uMlalazi developments are integrated to ensure water and sanitation projects are in lined and report quarterly to the Engineering Services portfolio committee.	• Eng. Services	• ongoing
	▪ Initiate a Rain Harvesting Programme – linked to rural housing development	internal	• Survey be conducted for houses not supplied with water ensuring alignment with the rural development	• In liaison with Uthungulu DM ensure houses with no water reticulation are supplied with water tankers and progress repot be submitted to the	• Eng. Services	• linked to implementation of rural housing projects

	▪ To consult with ESKOM and UDM, so that uMlalazi's residents receive free basic electricity, and that the UDM Energy Sector Plan as it relates to uMlalazi is implemented ▪ To ensure that all municipal infrastructure is properly maintained through the implementation the Municipal Services and Infrastructure Maintenance Plan ▪ Implement a Municipal Roads Programme.	R300,000 internal	• Ensure engagement with Uthungulu DM and Eskom in their meetings for the energy sector plan • The maintenance and infrastructure plan for the uMlalazi be developed. • The pavement management system (PMS) for urban roads b e produced	Engineering Services Portfolio Committee. • Ensure alignment among Eskom, Uthungulu Dm and the uMlalazi Municipality in the developments of the energy sector plan and the report be submitted to the Engineering Services Portfolio Committee • Report quarterly to the Engineering Services Portfolio Committee the number of vehicle serviced and the number of Council buildings maintained. • Report quarterly to the Engineering Services Portfolio committee on the number of kilometers of roads rehabilitated.	• Eng. Services • Eng. Services • Eng. Services	• ongoing • 30/06/2011 • 30/06/2011
To ensure the provision of sustainable, affordable and suitably-located housing development	▪ Implement the uMlalazi Housing Sector Plan in conjunction with the Department of Housing [subject to subsidy allocation (funding) from DOH to achieve this]	internal	a) Progress current funded housing projects by Department of Human Settlement. b) Progress planned housing projects in terms of Housing Plan	a) Sunnydale Phase 2 – Close out project. b) Ginginldovu Ext 5 and 6 – Appointment of Contractor for bulk infrastructure and top structure. c) Sunnydale Phase 2 Extension – Complete Phase 1 application. d) Ndlangubo – Complete Phase 1 application. e) Nzuza Rural Housing Project – Resolve land/legal issue. f) Mpushini Park, Ngudwini, Mpungose, Mombeni – Appoint Implementation Agent and commence Phase 1 application.	▪ Corporate Services	▪ 30/06/2011
To ensure the provision of sustainable community facilities	▪ Prepare a Cemetery Sector Plan ▪ Constant liaison with the Department of Health to ensure to ensure an acceptable	R150,000 internal			• Community Services • Community Services	▪ 30/06/2012 • ongoing

	level of primary health care in the Municipal Area ▪ Prepare, in conjunction with UDM, a Municipal Integrated Waste Management Plan	R200,000 R200,000	• The integrated waste management plan be prepared taking into account the waste recycling programme and job creation.	• Report the number of tonnages to the Uthungulu Regional Landfill site and the number of jobs created.	• Eng. Services	• 30/06/2010 • 30/06/2011
To ensure the sustainable and effective use of scarce Energy Resources	▪ Prepare Renewable Energy Strategy	R60,000	• In liaising with Eskom and the Department of Energy alternative source be investigated	• Report be submitted to the Engineering Services	▪ Eng. Services	▪ 30/06/2011

Key Performance Area 3: Local Economic Development

Development Goal

- To promote socio-economic development and provide support to assist communities throughout the Municipality to cope with the combined impact of poverty and HIV/AIDS; and
- To strengthen the local economy with particular emphasis on tourism, agriculture, commercial and light industrial development.
- To ensure that an enabling environment for development in the Municipality is created;
- To ensure the sustainable use of land and the natural environment

Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof	▪ Finalise approval through the PDA of the 1st Phase of LUMS (towns of Eshowe, Mtunzini and Gingindlovu)	internal	a) Submit final 1st Phase LUMS to Council for approval. b) Prepare 2nd Phase LUMS for rural areas. c) Engage DWAF and determine process for wetland delimitation.	a) Approval by Council by 30 November 2010. b) Approval by Council 30 June 2011. c) Wetland in Ward 5 and Mbongolwane declared.	▪ Corporate Services	▪ 30/11/2010
	▪ Prepare and implement 2nd Phase of LUMS focusing on all areas of the Municipality outside of the formal town areas of Eshowe, Gingindlovu and Mtunzini	R250,000			• Corporate Services	• 30/06/2011
	▪ Facilitate the process to have Mbongolwane Wetland, as well as the wetland in Ward 5, declared as a protected area through liaison with DWAF	internal			• Corporate Services	• 30/06/2011
	▪ Ongoing liaison with UDM and Coastal	internal	• Attend and provide input at CMWG Meetings	• Attend quarterly meetings of the CMWG	• Community Services	• ongoing

Key Performance Area 3: Local Economic Development						
	Management Working Group					
Ensure the sustainability and protection of the Municipality's Natural Resources	▪ Implement the Municipal Integrated Environmental Program ▪ Expand and implement Weed eradication programme into Rural Areas	R100,000 R200,000	• Undertake Feasibility Study, focusing on areas closest to urban areas		▪ Community Services ▪ Community Services	▪ 30/06/2013 • 30/06/2012
To minimize the effect of natural and other disasters on communities	▪ Implement the uMlalazi Municipal Disaster Management Plan	internal	• Conduct investigation, training, workshops, and fire and disaster awareness campaigns to all residents businesses, industries & Government institutions.	• Conduct 2 fire and disaster awareness campaigns	▪ Protection Services	▪ 30/06/2011
To cater for the economic and social development needs of youth, women, the disabled and the aged members of communities	▪ Ensure that the municipal Procurement Policy is gender and disabled sensitive ▪ Ensure that Municipal Employment Equity Plan is gender and disabled sensitive	internal internal	• Revise SCM Policy • Review and identify equity targets in Employment Equity Plan.	• Revised SCM Policy • Report quarterly on reviewed targets	▪ Fin. Services • Corporate Services	▪ 30/06/2011 • 30/06/2011
To facilitate economic growth and development within the municipal area	▪ Review uMlalazi's Local Economic Development (LED) Plan	R250,000	a) Procure Services of a qualified service Provider in reviewing the current LED Plan b) Engage with UDM in perusing through their LED Plan c) Ensure that the LED Plan is aligned to the Turn-around Strategy d) Prepare LED activity plan encompassing all 26 wards.	a) Appoint Service Provider by 30 September 2010 b) Submit completed and compliant LED Plan to Council by 31 December 2010.	▪ Deputy MM	▪ 30/06/2011
	▪ Facilitate the practical functioning of LED Business Forums	R100,000	a) Facilitate the establishment of business Forums in all 26 wards. b) Establish a Representative Business Forum representing all the wards	a) Ensure that all 26 wards have established sustainable business forums b) Ensure that establishes Representative Business Forum seats quarterly c)	▪ Deputy MM	▪ 30/06/2011
	▪ Ensure LED Capacity institutional and operational support to	internal	a) Facilitate Public/Private Partnerships in the pursuance of	a) Ensure that 20% of the local SMMES are funded, capacitated and fully functional.	• Deputy MM	• 30/06/2011

Key Performance Area 3: Local Economic Development						
	SMME's ▪ Prepare Nodal Framework Plans for all Nodes, as identified in the revised SDF ▪ Prepare a Feasibility Study for the establishment of service and light industry at Gingindlovu ▪ Review the Municipal Tourism Plan ▪ Implement Urban Design Project in Eshowe	 R500,000 R75,000 R150,000 R50,000	the Local Economic Development b) Engage with government LED agencies for capacity building and sourcing of funding for SMME's a) Determine Terms of Reference for Nodal Framework Plan, feasibility Study for Gingindlovu and Urban Design Project. b) Appoint Consultants to undertake studies and plans in (a) above. c) Engage uMlalazi Tourism Association and uThungulu District Municipality to align tourism plan.	a) Finalisation and adoption of nodal Framework Plans and Urban Design Project. b) Complete Town Planning requirements for Light Industrial area in Gingindlovu. c) Commence marketing of Light Industrial sites in Gingindlovu. d) Finalise reviewed Tourism Plan and include in IDP Review. e) Development control by town planning on urban design project.	• Corporate Services • Corporate Services • Corporate Services • Corporate Services	• 30/06/2013 • 30/06/2011 • 30/06/2011 • 30/06/2011
To market uMlalazi Municipal area to attract investment	▪ Prepare a Municipal Marketing Strategy	R50,000	a) Creating an enabling environment for investors and potential SMME'S to participate in the economy of uMlalazi b) Identify inventory of available municipal land available to sell to prospective investors. c) Utilize all local press media to advertise land. d) Host LED Indaba to attract prospective investors and potential SMME'S e) Engage with other stakeholders to ensure that infrastructure development is coordinated.	a) A completed inventory list of assets and available land for sale. b) Accordingly advertise land by 31 December 2010 c) LED indaba with all stakeholders participating by 31 October 2010.	▪ Deputy MM	▪ 30/06/2012
To promote uMlalazi as a tourism destination	▪ Prepare a Feasibility Study for Cross Border Tourism Initiatives – particularly along the coastal strip and the Tugela River ▪ Initiate Publicity Drive to promote uMlalazi as a Tourism destination	R100,000 R50,000	a) Determine Terms of Reference for feasibility study for Cross Border Tourism Initiatives. b) Appoint Service Provider to undertake feasibility study for Cross Border Tourism. c) Participate in tourism exhibitions to promote tourism. d) Compile and distribute community newsletters.	a) Alignment of cross border truism included in tourism plan. b) Increased tourism statistics (visitors) by 10%.	• Corporate Services • Corporate Services	• 30/06/2012 • 30/06/2012

Key Performance Area 3: Local Economic Development						
			e) Undertake radio broadcasts to publicize Council budget. f) Ensure tourism and brochure management			
To promote SMME development in the Municipality	▪ Promote SMME development	internal			▪ Community Services	▪ 30/06/2011

Key Performance Area 4: Municipal Financial Viability and Management
Development Goal
▪ To ensure sound Financial Management that will ensure alignment with the Municipality's IDP, in order to ensure efficient, effective and sustainable development

Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
Ensure that financial resources are efficiently and effectively allocated	▪ Revise Financial Plan	internal	• Part of budget process.	• Include in budget process to be completed May 2010.	• Fin. Services	• 30/06/2011
	▪ Ensure that the Budget (capital and operational) is aligned to the IDP (link to the preparation of Financial Plan, the Service Delivery Budget Implementation Plan (SDBIP) and the Integrated Capital Investment Plan)	internal	• Assist with the alignment.	• Alignment to form part of budget process to be completed May 2010.	• Fin. Services	• 30/06/2011
	▪ Review Integrated Capital Investment Plan (i.t.o. Capital Investment Policy)	Internal	• Part of 5 year draft capital budget process.	• Part of budget process to be completed by May 2010.	• Fin. Services	• 30/06/2011
	▪ Unbundle Municipal Assets	TBD	• Included in asset management system.	• Asset Register should be completed by June 2012	• Fin. Services	• 30/06/2012

Key Performance Area 5: Good Governance and Public Participation						
Development Goal ▪ To ensure that the developmental mandate of the municipality is understood by all the municipality's residents, role players and stakeholders; and ▪ To ensure that the Municipality, as an organization, operates effectively and efficiently in a transparent manner						
Development Strategies	Development Objectives	Budget Estimate	Actions / Projects	Targets	Responsible Department	Target Date
To facilitate community development and involvement in all aspects of local governance	▪ Involve Ward Committees in the IDP processes ▪ Conduct IDP Road Shows	R150,000 R100,000	a) Ensure that the Ward Committee system is fully functional and compliant with minimum legislation b) Ensure that the IDPRF is established and fully functional. c) Conduct road shows on the Budget, PMS and any for projects as when the need arises. d) Conduct IDP Road Shows in line with the 2011/2012 IDP Process Plan. e) Beneficiaries in road shows are consulted at all times via the media and ward visits.	a) Submission of quarterly reports, minutes, and functionality test for forward transmission to EXCO and COGTA. b) Hold 4 IDPRF meetings per annually c) Road shows conducted in line with the 2011/2012 Process Plan and timelines prescribed by MFMA. d) Adverts placed in local newspapers in IsiZulu and English at least 2 times a year.	• Deputy MM • Deputy MM	• 30/06/2011 • 30/06/2011
To promote active participation of all political role players	▪ Strengthen the relationship between political role-players and Amakhosi ▪ Conduct regular trainings and workshops on matters relating to Good Governance and Service Delivery ▪ Strengthen relationships with all spheres of Government	R50,000	▪ Introduce Joint Bi-annual meetings between Council and the Amakhosi in the Municipal Area to discuss issues of mutual interest a) Conduct an assessment to ascertain critical areas of knowledge that need to be address. b) Conduct in-house training/workshops and source training from sector departments, to address existing gaps in good governance and service delivery issues. c) Conduct quarterly assessments to measure the outcomes of all trainings and workshops conducted. ▪ Hold regular meetings with all spheres of governance to address good governance and service	▪ Hold bi-annual meeting between Councilors and Amakhosi. ▪ Measurable assessment to be carried out annually. ▪ Conduct In-house training and involve sector departments from time to time. ▪ Quarterly assessments conducted ▪ Hold quarterly meetings with spheres of government.	▪ Deputy MM ▪ Deputy MM	▪ 30/06/2011 Ongoing

Key Performance Area 5: Good Governance and Public Participation						
	horizontally and vertically in terms of the IGR principles ▪ Assess the Performance of the Municipality on service delivery through scientific measures to identify service delivery gaps		delivery related matters. ▪ Conduct customer services survey.	▪ Conduct customer services survey annually	▪ Deputy MM	30/06/2012
To promote community health and safety	▪ Establish Community Safety Forum ▪ Prepare and implement a Safety Plan for the Municipal Area	R30,000 R100,000	• Scholar education at school • Road safety awareness campaign through road safety forums • Road blocks, special duties, crime prevention projects. • By-Law enforcement to ensure safer city.	• To train 6 schools per year. • To have 15 road blocks per year including other special duties. • Regular monitor the compliance of hawkers and vendors in regard to by-laws.	• Protection Services • Protection Services	• 30/11/2011 • 30/06/2011

6.2 Breakdown of operating expenditure and capital expenditure aligned to the IDP

6.2.1 Operating Expenditure

DETAILS	BUDGET 2010/2011
Rural roads/causeways	1,000,000
Rural advancement projects	800,000
Sports development	500,000
Work creation projects	745,000
HIV Relief	500,000
Youth development programmes	600,000
Rural educational enhancement	800,000
Community seating & barriers	100,000
Rehabilitation: Urban roads	2,100,000
LED Projects	1,400,000
Rural asset maintenance	100,000
Rural grounds maintenance	800,000
Poverty alleviation	1,510,000
	10,955,000

6.2.2 Capital Expenditure

Hereunder follows a breakdown of the capital expenditure aligned to the goals and action plans of the IDP:

MIG Allocations for 2010/2011 Financial Year

Description of Projects	Amount
ROLL-OVER PROJECTS	
REFUSE	
Rehabilitation of Refuse Site (Ward 11)	R3,116,198-00
SPORTSFIELDS	
Nkanini Sportsfield (Ward 7)	R 494,000-00
Sithilo Sportsfield (Ward 2)	R 662,900-00
Mabhokweni Sportsfield (Ward 17)	R 375,084-00
ROADS	
D135 Kwa Khoza Road (Ward 15)	R2,472,212-00
Shakaland Road Rehabilitation (Ward 26)	R 402,520-00
Upgrade of Gingindlovu Taxi Rank (Ward 18)	R 557,411-00
CAUSEWAYS	
Inhlababo Causeway/Road (Ward 17)	R 896,413-00
Ethondo River Causeway (Ward 21)	R 230,000-00
FIRE STATIONS	
Fire Station Mtunzini	R 659,036-00
Total Roll-over Projects	R9,865,774-00
NEW PROJECTS	
COMMUNITY HALLS	
Nkanini Hall (Ward 7)	R1,132,618-00
CRECHES	
Insala Creche (Ward 20)	R 580,634-00
Ncekua Creche (Ward 3)	R 501,000-00
Zamokuhle Creche (Ward 24)	R 516,012-00
Safube Creche (Ward16)	R 570,000-00
Musimbeni Creche (Ward 3)	R 492 036-00
CAUSEWAYS	
Matushitswo Causeway (Ward24)	R 626,511-00
Mbongolweni/mthombe Causeway & Road (Ward 19)	R1,401,753-00
Nhlanzanyoni Causeway (Ward 7)	R 801,992-00
ROADS	
Ngoje Road (Ward 8)	R 793,486-00
SPORTFIELDS	
Mpungose(Hlohloko Sportsfield) (Ward 9)	R1,025,124-00
Nyanini Sportsfield (Ward 13)	R 922,505-00
BUS SHELTER	
KwaMondlo Bus Shelter (Ward 22)	R 139,262-00
Total New Projects	R 9,502,933-00
Total MIG Projects for 2010/2011 Financial Year	R19, 368,707-00

7. MEASUREABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1 Hereunder follows the key financial indicators dealing with borrowing management, safety of capital, liquidity, revenue and creditor's management:

Description of financial indicator	Basis of calculation	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Borrowing Management											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.0%	0.0%	0.3%	1.0%	1.0%	1.0%	0.0%	1.3%	1.1%	0.9%
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.4%	0.2%	0.3%	0.3%	0.3%	0.0%	0.3%	0.3%	0.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	0.0%	17.3%	18.2%	19.0%	19.2%	14.3%	0.0%	11.4%	13.8%	12.1%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.1%	0.9%	3.1%	3.2%	3.1%	0.0%	3.4%	2.7%	2.0%
Liquidity											
Current Ratio	Current assets/current liabilities	–	1.8	1.5	0.9	0.9	1.3	–	1.7	1.3	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	1.8	1.5	0.9	0.9	1.3	–	1.7	1.3	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	–	0.6	0.6	0.3	0.3	0.5	–	0.7	0.6	0.6
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	95.7%	95.8%	95.8%	95.8%	95.8%	95.7%	95.6%	98.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	22.3%	21.0%	13.3%	12.9%	13.5%	0.0%	11.0%	10.3%	8.8%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	34.5%	33.1%	33.3%	32.0%	32.5%	0.0%	33.7%	32.3%	31.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	45.3%	42.0%	41.5%	39.7%	40.5%		41.1%	39.4%	38.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	5.5%	5.1%	4.3%	4.2%	4.4%	0.0%	3.4%	3.2%	3.1%
IDP regulation financial viability											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	72.5	57.7	75.8	75.8	75.8	–	98.5	111.7	125.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for	0.0%	41.7%	38.8%	22.2%	22.0%	22.6%	0.0%	18.6%	17.9%	15.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	–	(1.3)	1.3	2.3	3.4	4.5	–	3.4	3.1	3.1

7.2 Hereunder follows the financial indicators for revenu by source and expenditure by type:

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
R thousand		July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue By Source																
Property rates		3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	37,364	39,420	41,785
Property rates - penalties & collection charges		79	79	79	79	79	79	79	79	79	79	79	79	950	950	950
Service charges - electricity revenue		3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	40,520	47,913	57,888
Service charges - refuse revenue		500	500	500	500	500	500	500	500	500	500	500	500	5,999	6,881	7,811
Rental of facilities and equipment		84	84	84	84	84	84	84	84	84	84	84	80	1,011	1,071	1,136
Interest earned - external investments		50	50	50	50	50	50	50	50	50	50	50	50	600	600	600
Fines		352	352	352	352	352	352	352	352	352	352	352	352	4,230	4,769	5,297
Licences and permits		–	–	–	–	–	–	–	–	–	–	–	12	12	12	12
Transfers recognised - operational		4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	55,439	66,596	73,109
Other revenue		636	636	636	636	636	636	636	636	636	636	636	636	7,629	8,081	8,335
Gains on disposal of PPE		17	17	17	17	17	17	17	17	17	17	17	17	200	200	200
Total Revenue (excluding capital transfers and contributions)		12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,837	153,955	176,304	196,934
Expenditure By Type																
Employee related costs		4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	51,818	56,981	62,288
Remuneration of councillors		958	958	958	958	958	958	958	958	958	958	958	958	11,491	12,456	13,502
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment		439	439	439	439	439	439	439	439	439	439	439	439	5,263	5,652	5,991
Finance charges		3	3	3	3	3	3	3	3	3	3	3	3	36	32	29
Bulk purchases		2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	24,372	31,277	40,172
Contracted services		1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	13,921	13,866	14,693
Transfers and grants		30	30	30	30	30	30	30	30	30	30	30	30	359	378	397
Other expenditure		3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	46,485	55,493	58,982
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	153,744	176,135	196,053
Surplus/(Deficit)		17	17	17	17	17	17	17	17	17	17	17	25	212	169	881
Transfers recognised - capital													–	–	–	–
Contributions recognised - capital													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		17	17	17	17	17	17	17	17	17	17	17	25	212	169	881
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	17	17	17	17	17	17	17	17	17	17	17	25	212	169	881

7.3 Hereunder follows the measurable performance objectives for revenue and operating expenditure by vote:

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
R thousand		July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue by Vote																
Vote1 - EXECUTIVE & COUNCIL		6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	76,271	82,755	89,500
Vote2 - BUDGET & TREASURY OFFICE		182	182	182	182	182	182	182	182	182	182	182	182	2,182	2,434	2,486
Vote3 - CORPORATE SERVICES		91	91	91	91	91	91	91	91	91	91	91	91	1,088	1,239	1,339
Vote4 - PLANNING & DEVELOPMENT		86	86	86	86	86	86	86	86	86	86	86	82	1,030	1,261	1,540
Vote5 - HEALTH		479	479	479	479	479	479	479	479	479	479	479	479	5,749	6,183	6,538
Vote6 - COMMUNITY & SOCIAL SERVICES		27	27	27	27	27	27	27	27	27	27	27	27	328	347	357
Vote7 - HOUSING		163	163	163	163	163	163	163	163	163	163	163	163	1,953	2,363	3,176
Vote8 - PUBLIC SAFETY		386	386	386	386	386	386	386	386	386	386	386	386	4,632	5,792	6,352
Vote9 - SPORTS & RECREATION		167	167	167	167	167	167	167	167	167	167	167	167	2,008	2,827	3,395
Vote10 - WASTE MANAGEMENT		783	783	783	783	783	783	783	783	783	783	783	783	9,396	10,667	11,450
Vote11 - ROAD TRANSPORT		599	599	599	599	599	599	599	599	599	599	599	599	7,189	10,932	11,081
Vote12 - ELECTRICITY		3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	42,130	49,693	59,911
Vote13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote14 - WORKSHOP		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,826	153,955	176,494	197,124
Expenditure by Vote to be appropriated																
Vote1 - EXECUTIVE & COUNCIL		3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	45,191	47,977	50,902
Vote2 - BUDGET & TREASURY OFFICE		597	597	597	597	597	597	597	597	597	597	597	597	7,168	7,983	8,807
Vote3 - CORPORATE SERVICES		524	524	524	524	524	524	524	524	524	524	524	524	6,294	6,927	7,595
Vote4 - PLANNING & DEVELOPMENT		215	215	215	215	215	215	215	215	215	215	215	215	2,585	2,965	3,390
Vote5 - HEALTH		637	637	637	637	637	637	637	637	637	637	637	637	7,647	8,355	8,657
Vote6 - COMMUNITY & SOCIAL SERVICES		218	218	218	218	218	218	218	218	218	218	218	218	2,614	2,952	3,122
Vote7 - HOUSING		162	162	162	162	162	162	162	162	162	162	162	162	1,943	2,345	3,147
Vote8 - PUBLIC SAFETY		1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	12,897	14,588	15,825
Vote9 - SPORTS & RECREATION		651	651	651	651	651	651	651	651	651	651	651	651	7,807	9,171	10,328
Vote10 - WASTE MANAGEMENT		988	988	988	988	988	988	988	988	988	988	988	988	11,857	12,921	13,982
Vote11 - ROAD TRANSPORT		830	830	830	830	830	830	830	830	830	830	830	830	9,958	14,202	14,810
Vote12 - ELECTRICITY		3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	37,440	45,371	55,442
Vote13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	11	11	12
Vote14 - WORKSHOP		28	28	28	28	28	28	28	28	28	28	28	28	332	366	403
Total Expenditure by Vote		12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	153,743	176,135	196,423
Surplus/(Deficit) before assoc.		18	18	18	18	18	18	18	18	18	18	18	14	212	359	701
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	18	18	18	18	18	18	18	18	18	18	18	14	212	359	701

7.3 Hereunder follows the measurable performance objectives for capital by vote:

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	Oct	Nov.	Dec.	Jan	Feb.	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Multi-year expenditure *to be appropriated*	1															
Vote1 - EXECUTIVE & COUNCIL		250		15	20								–	285	42	49
Vote2 - BUDGET & TREASURY OFFICE				20		25			45	20	20		–	130	120	125
Vote3 - CORPORATE SERVICES				4	214	259	2,154	299	214	214	35		–	3,392	515	3,100
Vote4 - PLANNING & DEVELOPMENT				5			30						–	35	325	30
Vote5 - HEALTH									50	20			–	70	50	–
Vote6 - COMMUNITY & SOCIAL SERVICES		288	288	288	388	402	414	402	303	202	45		–	3,017	1,637	5,254
Vote7 - HOUSING				2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000	22,000	22,000
Vote8 - PUBLIC SAFETY			20	35	520	282	343		20	30			–	1,249	975	785
Vote9 - SPORTS & RECREATION		483	733	406	485	685	435	325	325	154			–	4,030	630	1,422
Vote10 - WASTE MANAGEMENT		519	519	519	519	599	569						–	3,246	280	80
Vote11 - ROAD TRANSPORT		2,030	1,011	2,057	1,162	1,437	1,082	1,632	982	764	651	387	140	13,337	24,343	19,924
Vote12 - ELECTRICITY		1,330	1,380	450	75	165	235	25	82	50			–	3,792	1,076	1,210
Vote13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote14 - WORKSHOP					15	45							–	60	145	–
0													–	–	–	–
Capital multi-year expenditure sub-total	2	4,900	3,950	5,800	5,397	5,898	7,262	4,682	4,020	3,454	2,751	2,387	2,140	52,642	52,138	53,980
Total Capital Expenditure	2	4,900	3,950	5,800	5,397	5,898	7,262	4,682	4,020	3,454	2,751	2,387	2,140	52,642	52,138	53,980

8. OVERVIEW OF BUDGET – RELATED POLICIES

8.1 This section gives a broad overview of the budget policy framework and highlights the amended policies to be approved by Council Resolution.

NAME OF POLICY	LAST DATE OF APPROVAL	NEW ADOPTION DATE	STATUS
Credit Control & Debt Collection Policy	30/05/2001 (Special Exco 252/00/01)	27/05/2009	Amended
Tariff Policy	01/06/2007 (Exco 01/06/07)		Reviewed
Property Rates Policy	05/09/2005 (Exco 95/05/00)	27/05/2009	Amended
Investment Policy	07/11/2005 (Exco 157/05/06)		Reviewed
Risk Management Policy	07/07/2008 (Exco 18/5/09)		Reviewed
Indigent Support Policy	01/03/2004 (Exco 337/05/04)		Reviewed
Supply Chain Management Policy	03/12/2008 (Exco 208/08/09)	02/02/2010	Reviewed
Virement Policy	New Policy		New

The above mentioned policies can be reviewed on the Council's official website, and can also be obtained on request from the Council's offices.

8.2 The following amendments of the policies are tabled for consideration:

8.2.1 Credit Control and debt collection policy

Section C:

1.1 Agreement for Services

Add the following clause:

(vi) The Municipality shall whenever possible, combine any separate accounts of persons who are liable for payment to the municipality, into one consolidated account.

1.2 Deposits

Clause (ii) which currently reads as follows:

" The deposit shall be equal to three months average consumption and the basic charge, per consumer for each applicable services"

To be replaced by:

"The deposit shall be equal to three times the average monthly account over a period of the last three months, per consumer, for each applicable service."

A new clause be added as follows:

(vii) " A deposit may be requested from pre paid electricity consumers based on three times the average monthly account for each applicable service, such as refuse removal."

1.3 Payment of Charges
Add the following clauses:

(vi) Every effort will be made to ensure that all payments, particularly from third party agents, are received within a maximum of 7 days of the original payment date, however , the onus is on the consumer to make allowance for delays in respect of such payments. Customers must ensure that payment made, through third party agents (easy pay; etc.) are received into the Municipality's bank account by the due date.

(vii) Where any payment made to the Municipality or its authorized agent, by negotiable instrument or direct debit, is later dishonored by the bank, the municipality or its authorized agent will charge a fee to be determined by the Council in terms of its tariff policy against the account of the customer.

(viii) For consolidated accounts the municipality may in accordance with Section 102 of the Municipal Systems act , credit any payment by a customer against the account of the customer.

(ix) An amount paid may be appropriated to the oldest debt first.

(x) Any amount paid by the customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and fees fro municipal services and no interest will be payable on that amount.

(xi) the municipality's allocation of payment is not negotiable and the customer may not choose which services to pay.

Clause 4, which currently reads as follows:

"4.1 A debtor who is in default can approach the Manager: Financial Services, and make acceptable arrangements in writing for the extension of time for payment,

(i) If the overdue amount is outstanding for longer than 12 months, a minimum down payment of 50% shall be payable and the repayment period shall not exceed 12 months.

(ii) If the over due balance is outstanding for less than 12 months, a minimum down payment of 25% is required and the balance to be paid over a period not exceeding 6 months.

(iii) If the conditions as agreed to, are not adhered to, normal credit control procedures will be implemented.

(iv) All future current accounts must be paid on the due dates, together with arrears arrangements."

To be replaced by:

"4. Arrangements

4.1 Arrangements

If a customer cannot pay his/her account with the municipality then the municipality may enter into an extended term of payment with the customer according to the applicable category of the customer. Consumers who default on two occasions in respect of arrangements made will be denied the privilege of making further arrangements and the full amount becomes payable. The customer must:

i. Sign an acknowledgement of debt;

ii. Acknowledge that interest could be charged at the prescribed rate;

iii. Pay the current portion and the proposed arrangement amount of the account;

iv. Sign an acknowledgement that, if the arrangements being negotiated are later defaulted on, that no further arrangements will be possible and that disconnection of and electricity will follow immediately, as will legal proceedings.

v. Acknowledge liability of all costs incurred.

vi. Prove levels of income and make reasonable payment of arrears based on the ability to pay.

vii. Pay interest on arrears in terms of this policy, except where stated otherwise during the period covered by the Arrangement.

viii. Agree to periodic review (every six (6) months) of the arrangement.

Categories of debtors

Domestic customers - arrangements

DEBT	PAYMENT OF ARREARS
R0,00 to R1 000,00	20% of outstanding debt as down payment. The balance of the outstanding amount over maximum 6 months.
R1 001,00 to R3 000,00	20% of outstanding debt as down payment. The balance of the outstanding amount over maximum 12 months.
R3 001,00 to R5 000,00	20% of the outstanding debt as down payment. The balance of the outstanding amount over maximum 18 months.
R5 001,00 and above	20% of the outstanding amount debt as down payment. The balance of the outstanding amount over maximum 24 months.

In all cases the consumer deposit to be increased to three times the average monthly account should a consumer default with their arrangement.

Business customers - arrangements

DEBT	PAYMENT OF ARREARS
R0.00 – R5 000.00	No Arrangement
R5 001.00 – R20 000.00	30 % of arrear amount plus current account as down payment. The balance of the outstanding amount over maximum of 6 months.
R20 001.00 – R100 000.00	30 % of arrear amount plus current account as down payment. The balance of the outstanding amount over maximum of 9 months.
R100 001.00 +	30 % of arrear amount plus current account as down payment. The balance of the outstanding amount over maximum of 12 months.

Business customers – default on arrangements

	PAYMENT OF ARREARS
1st default in any twelve month cycle:	Current account plus defaulted installments on arrangement – continue with monthly installments as arranged before. Deposit adjusted to 3 months average account.
2nd default in any twelve month cycle:	Proceed with debt collection processes.

Schools / hospitals etc.

	PAYMENT OF ARREARS
1st default in any twelve month cycle:	1 weeks notice – no arrangements. Deposit adjusted to 3 months average account.
2nd default in any twelve month cycle:	48 hours notice – all amounts due to be paid in full. Deposit adjusted to 3 times average of total monthly account.
3rd default in any twelve month cycle:	Proceed with debt collection processes.

SPORT- and SOCIAL CLUBS	50% of arrear amount plus current account as down payment. Balance over maximum of 3 months. Deposit adjusted to 3 times average of total monthly account.

CHURCHES & RELIGIOUS INSTITUTIONS	10% of arrear amount plus current account as down payment. Balance over maximum of 6 months. Deposit adjusted to 3 times average of total monthly account.

Old age & disability pensioners

DEBT	PAYMENT OF ARREARS
R1,00 to R2 500,00	5% of outstanding debt, plus the current account, as down payment. The balance over maximum of 18 months.
R2 501,00 to R5 000,00	2% of the first R2 500.00 outstanding debt, plus the current account, plus 3% above R2 500.00 outstanding, plus the cost of the credit control actions. The balance of the outstanding amount over maximum 24 months.
R5 000,00 and more	2% of the first R2 500.00 outstanding debt, plus the current account, plus 3% above R2 500.00 outstanding, plus the cost of the credit control actions. The balance of the outstanding amount over maximum 36 months.

Arrangements for this category of debtor will be free of interest, should the payment arrangement be maintained regularly.

Account holders under administration

Where a person has been placed under administration the following procedures will be followed:

i. The debt as at the date of the administration court order will be placed on hold, and collected in terms of the court order by the administrator's dividend.

ii. The administrator is to open a new account on behalf of the debtor, with a new deposit – No account is to be opened/operated in the debtor's name as the debtor is not entitled to accumulate debt (refer section 74S of the Magistrates Courts Act 32 of 1944).

iii. Until such time as this new account is opened, the debtor is to be placed on limited services levels. The consumer will be compelled to install a prepaid electricity meter, should one not already be in place. The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the prepaid meter.

iv. Should there be any default on the current account – the supply of services is to be terminated, and the administrator handed over for the collection of this debt.

INDIGENT

i. All customers applying to be registered as an indigent will repay the outstanding debt as follows:

ii. Over 2 months with a minimum per month installment, plus monthly current account until Indigent application has been approved. Consumer is to visit Council offices to finalize the Arrangement. Such arrangements for this category of debtor will be free of interest should the payments be regularly maintained.

iii In case it is found that payment at present and in future will be impossible, the arrear amount shall be recommended to be written off.

Accounts handed over to the attorneys

Consumers whose accounts are currently handed over to an attorney are not allowed to accumulate any new arrears, nor ask for any extension or arrangement on his current account. That all normal accounts of which a portion are handed over for the recovery by an attorney, be blocked on the system for further extension/arrangements.

Social assessment

Debts and arrangements to repay debts shall be treated holistically, but different repayment periods may be determined for different types of services, debtors or areas within the general rule that repayment periods should be in sympathy with the installments that the debtor can afford in order to liquidate the arrears over a reasonable period.

5. Termination of Services

The following clause currently reads as follows:

"5.2 If the accounts remain unpaid after the due dates, a penalty (connection fee) will be raised and services disconnected as soon as practicable possible after the due dates."

To be amended as follows:

"5.2 If the accounts (which includes property rates and services) remain unpaid after the due dates, a penalty (connection fee) will be raised and services disconnected as soon as practicable possible after the due dates."

8.2.2 Rates Policy

8.2.2.1 Chapter 2: Clause 9- Exemptions and rebates from rates

9.1.3(e) Smallholdings

Add the following:

"The onus is on the property owner to apply and prove before the end of May of each year that full time agricultural activities are still taking place on the property. The Council's valuator will investigate and certify each application."

Add the following as:

"(p) Church properties
Properties registered in the name of and used primarily as a place of worship by religious communities, including official residences in the name of that church which are occupied by full time office bearers of that communities-rebate 100%.

In the case of residence, the onus is on the property owners to annually prove before the end of May, that the residence is still occupied by a full time office bearer of the church.

The following clause read currently as follows:

"9.3.2	Property owners who belong to one of the following categories: (a) A ratepayer older than 60 years of age; (b) A bona fide pensioner under 60 years of age; (c) A ratepayer under 60 years of age, but has been retired from employment by reason of illness or disability; and (d) whose total household income is as follows: (i) a single person receiving a total income of R3 000,00 or less (ii) a married couple receiving a joint monthly income of R4 200,00 or less.	100% of the rates based on the rateable value up to R50 000.00 and 40% of the rates based on the rateable value above R50 000.00."

Clause 9.3.2 (d) to be replaced by:

(d) whose total household income is as follows:
(i) a single person receiving a total income of R4 200,00 or less
(ii) a married couple receiving a joint monthly income of R5 400,00 or less.

8.2.3 Indigent Policy

The following clause currently reads as follows:

" (E) LEVEL OF INDIGENT SUPPORT

The level of indigent support will be determined annually on receipt of notification from Central Government as to the amount made available.

- The maximum monthly indigent support that will be granted shall be R80.00 per account.
- Should the monthly account be less that R80.00 (including VAT) the maximum amount will be the amount of the account

In all instances the actual indigent support shall be calculated taking due cognizance of the amount received, the number of applications received and the standard and a level of services."

To be replaced by:

" (E) LEVEL OF INDIGENT SUPPORT

The level of indigent support will be determined annually on receipt of notification from Central Government as to the amount made available.

- The maximum monthly indigent support that will be granted shall be R100.00 per account.
- Should the monthly account be less that R100.00 (including VAT) the maximum amount will be the amount of the account

In all instances the actual indigent support shall be calculated taking due cognizance of the amount received, the number of applications received and the standard and a level of services."

8.3 New Policy

Hereunder follows a new draft virement policy which is tabled for approval:

Index

Sections	Contents	Page
1	Definitions	
2	Abbreviations	
3	Objective	
4	Virement Clarification	
5	Financial Responsibility	
6	Virement Restrictions	
7	Virement Procedure	
8	Supplementary	
	Annexure "A" Vote Classification	

1. Definitions

1. "Accounting officer" The municipal manager of a municipality is the accounting officer of the municipality in terms of Section 60 of the LG:MFMA.
2. "Approved budget" means an annual or adjustment budget approved by the municipal council.
3. "Budget-related policy" means a policy of a municipality affecting or affected by the annual budget of the municipality.
4. "Chief financial officer" means the person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of Section 79 of the LG:MFMA be delegated by the accounting officer to the Chief Financial Officer.
5. "Capital Budget" This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such a facilities and equipment, the cost of which is normally written off over a number of fiscal periods.
6. "Council" means the council of a municipality referred to in Section 18 of the Local Government Municipal Structures Act.
7. "Financial year" means a 12-month year ending on 30 June.
8. "Line Item" an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures
9. "Operating Budget" The Council's financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them.
10. "Ring Fenced" an exclusive combination of line items grouped for specific purposes for instance salaries and wages.
11. "Service Delivery And Budget Implementation Plan" means a detailed plan approved by the mayor of the municipality in terms of Section 53 (1) (c) (ii) of the LG:MFMA for implementing the municipality's delivery of municipal services and its annual budget.
12. "Virement" is the process of transferring an approved budget allocation between sections within the same line item, with the approval of the Municipal Manager and the Chief Financial Officer. To enable budget managers to amend budgets in line of experience or to reflect anticipated changes.
13. "Vote" means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. [See annexure "A" for current Vote structure]

2. Abbreviations

1. MM-Municipal Manager
2. CFO – Chief Financial Officer
3. IDP – Integrated Development Plan
4. LG:MFMA – Local Government Municipal Finance Management Act No. 56 of 2003
5. SDBIP – Service delivery and budget implementation plan
6. CM – Council Minute/'s

3. Objective

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disaster, unforeseen expenditure or savings, etc. As they arise to accelerate service delivery in a financially responsible manner.

4. Virement Clarification

Virement is the process of transferring budgeted funds within one line item number to another, with the approval of the Municipal Manager and CFO, to enable the Chief Financial Officer to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) LG: MFMA)

5. Financial Responsibilities

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Section 100 of the LG: MFMA)

The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27 (4) of the LG:MFMA)

It is the responsibility of each manager or head of a department or activity to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the LG: MFMA Sections 78 and 102.

6. Virement Restrictions

a. No funds may be viremented between votes (GFS Classifications) without approval of both vote holders, Municipal Manager and the Chief Financial Officer.

b. Virements may not exceed a maximum of 0.1% of the total approved operating budget as at 30 June of each year [R154 413 000 x 0.1% = R154 130]

c. A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (Section 19 and 21 of the LG:MFMA)

d. Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustments budget to the Council with altered outputs and measurements for approval. (LG:MFMA Circular 13 paragraph 3)

e. No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of the Executive Committee.

f. No virement may be made where it would result in over expenditure. (Section 32 of the LG:MFMA)

g. No virement shall add to the establishment of the Municipality without the approval of the Municipal Manager.

h. If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.

i. Virements may not be made in respect of ring-fenced allocations.

j. Budget may not be transferred from Support service (interdepartmental) costs, costs, capital financing, depreciation, contributions, grant expenditure , income foregone, insurance, vat, debt impairment and bulk purchases.

k. Budget may only be transferred from salaries if approved by the MM and CFO.

l. Virements in capital budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications.

m. No virement proposal shall affect amounts to be paid to another department without the agreement of the manager of that department, as recorded on the signed virement form. (Section 15 of the LG:MFMA)

n. Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 of the LG:MFMA)

o. An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement/supply chain management policy of Council as periodically reviewed.

p. Virements may not be made between Expenditure and Income.

q. Virements from the capital budget to the operating budget is not permitted.

7. Virement Procedure

a. All virement proposals must be completed on the appropriate documentation and forwarded to the relevant Financial Officer for checking and implementation.
b. All virements must be signed by the Vote holder (per department) and the manager within which the vote is allocated. (Section 79 of the LG:MFMA)
c. A virement form must be completed for all Budget Transfers.
d. Virements requires the approval of the Municipal Manager and Chief Financial Officer. (Section 79 of the LG:MFMA)
e. Must include changes to the SDBIP.
f. All documentations must be in order and approved before any expenditure can be committed or incurred. (Section 79 of the LG:MFMA)
g. The Municipal Manager will report to Executive Committee on a quarterly basis on those virements that have taken place during that quarter.

Appendix A
Vote Classification

VOTE AND DEPARTMENTS

VOTE (GFS CLASSIFICATION)	DEPARTMENT	SECTION	VOTEHOLDER
Executive and Council	55 – Mayoral Office	05 – Mayoral Office	Mayor
	60 – Municipal Manager	05 – Municipal Manager	Municipal Manager
	65 – Corporate Services	45 – General Expenses : Council	Manager : Corporate Services
Budget and Treasury Office	75 – Financial Services	05 – Finance Administration	Chief Financial Officer
	75 – Financial Services	10 – Stores	Chief Financial Officer
	65 – Corporate Services	40 – Grant-in-Aid	Manager : Corporate Services
Corporate Services	65 – Corporate Services	05 – Administration	Manager : Corporate Services
	65 – Corporate Services	10 – Halls & Offices	Manager : Corporate Services
	80 – Community Services	45 – Chalet Park	Manager : Community Services
	85 – Engineering Services	25 - Buildings	Manager : Engineering Services
Planning and Development	85 – Engineering Services	05 – Administration	Manager : Engineering Services
Health	80 – Community Services	05 – Health	Manager : Community Services
	80 – Community Services	10 - Clinics	Manager : Community Services
Community and Social Service	65 – Corporate Services	15 – Zululand Historical Museum	Manager : Corporate Services
	65 – Corporate Services	25 – Libraries	Manager : Corporate Services
	80 – Community Services	46 – Cemetries	Manager : Community Services
	80 – Community Services	Creches	Manager : Community Services

VOTE (GFS CLASSIFICATION)	DEPARTMENT	SECTION	VOTEHOLDER
Housing	85 – Engineering Services	35 – Staff housing	Manager : Engineering Services
	65 – Corporate Services	50 – Housing : Gingindlovu	Manager : Corporate Services
	65 – Corporate Services	55 – Housing : Mpushini Park	Manager : Corporate Services
	65 – Corporate Services	60 – Housing : Sunnydale	Manager : Corporate Services
	65 – Corporate Services	Housing : Rural	Manager : Corporate Services
	65 – Corporate Services	Housing : Other	Manager : Corporate Services
Public Safety	70 – Protection Services	05 – Traffic	Manager : Protection Services
	70 – Protection Services	10 – Fire Fighting	Manager : Protection Services
	70 – Protection Services	15 – Disaster Management	Manager : Protection Services
Sports and Recreation	65 – Sports Club	30 – Sports Club	Manager : Corporate Services
	80 – Community Services	25 – Recreation Grounds	Manager : Community Services
	80 – Community Services	30 – Parks, Garden and Estates	Manager : Community Services
	80 – Community Services	35 – Swimming Pools	Manager : Community Services
	80 – Community Services	40 – Caravan Park	Manager : Community Services
Waste Management	85 – Engineering Services	70 – Public Conveniences	Manager : Engineering Services
	85 – Engineering Services	75 – Street Cleaning	Manager : Engineering Services
	85 – Engineering Services	80 – Solid Waste	Manager : Engineering Services
Road Transport	85 – Engineering Services	15 – Roads and Streets	Manager : Engineering Services
	70 – Protection Services	25 – Testing Station	Manager : Protection Services
Electricity	85 – Engineering Services	40 – Administration	Manager : Engineering Services
	85 – Engineering Services	45 - Distribution	Manager : Engineering Services
Air Transport	70 – Protection Services	20 – Aerodrome	Manager : Protection Services

VOTE (GFS CLASSIFICATION)	DEPARTMENT	SECTION	VOTEHOLDER
Workshop	85 – Engineering Services	20 – Municipal Workhop	Manager : Engineering Services

9. OVERVIEW OF BUDGET ASSUMPTIONS

9.1 In preparing the annual budget, the Government national priorities were taken into account. These priorities are:

- Deliver more and better services in a caring and efficient manner;
- Hold political office bearers and public servants accountable;
- Shift resources to new priorities;
- Move from debate to effective implementation and decisive action; and
- Work in partnership with communities, labour and business to achieve our shared objectives.

These objectives are directly relevant to municipalities. The challenge for each municipality is to do more within its existing resource envelope.

9.2 The national budget review 2010 notes:

"Over the next few years, government must deliver more services- and deliver them more efficiently-within a tight resource envelope. Achieving this objective requires a new way of working:

- The budget has been reprioritized so that money is moved from low-priority programmes to high priority programmes.
- A performance culture where people are held accountable for their actions, accompanied by clear, measurable outcomes related to key development priorities.
- Government will manage growth in its consumption expenditure (wages, and goods and services) and obtain better value for money.
- Corruption, particularly in the tender system, will be uprooted."

Municipalities are encouraged to adopt a similar stance on these issues. This is particularly important in the run-up to the local government elections. Mayors and councils need to remain focused on the effective delivery of core municipal services, and steer away from seeking to buy political support through patronage, ad hoc public relations projects, events or donations or any other action that is not consistent with the *Code of Conduct for Councillors*- as set out in the Municipal Systems Act 32 of 2000.

9.3 The following budget assumptions have a major influence on the annual budget:

- It will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows.
- The revenue stream of the Council will stay under pressure for the next three to four quarters in 2010.
- The increased high cost to move waste from the refuse transfer stations, to the regional refuse site.
- The excessive increases in the tariffs of bulk electricity purchases in the next three budget years, are putting pressure on the Council's draft operating expenditure budget.
- The increases in property rates and other tariffs are likely to be counter productive, resulting in higher levels of non payment and increased bad debts.

9.4 The budget have been prepared in accordance with the Standards of Generally recognized Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of:

General Notice 991 of 2005 issued in Government Gazette no. 28095 of 15 December 2005; and
General Notice 992 of 2005 issued in Government Gazette no. 28095 of 07 December 2005;

The Standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP4	The effects of changes in Foreign Exchange Rates
GRAP6	Consolidated Financial Statements and Accounting for Controlled Entities
GRAP7	Accounting for Investments in associates
GRAP8	Financial Reporting of interests in joint ventures
GRAP9	Revenue
GRAP12	Inventories
GRAP16	Investment property
GRAP17	Property, Plant & Equipment
GRAP19	Provisions, Contingent Liabilities and Contingent Assets

10. Overview of Budget funding

10.1 Hereunder follows an explanation of how the annual budget is funded:

10.1.1 Operating Expenditure

The operating expenditure is funded as follows:

• Revenue form tariffs	-	84 834 000
• Rental of facilities	-	1 011 000
• Interest earned	-	600 000
• Fines, licences and permits	-	4 242 000
• Transfers recognized	-	52 549 000
• Other direct revenue	-	10 519 000
• Gains on disposal of assets	-	200 000
Total		R153 955 000

10.1.2 Capital Expenditure

The capital expenditure is funded as follows:

Equitable Share	-	10 613 000
Municipal Infrastructure Grant	-	19 368 710
Department of Human Settlements	-	20 000 000
Department of Mineral and Energy	-	2 660 000
Total		R52 641 710

10.1.3 There are no cash backed reserves at this stage to fund future capital projects

10.1.4 The future fiscal sustainability of the Council is not very positive. The following are contributing factors for this situation:

- The continued inability of consumers to settle outstanding accounts.
- The continued dependency on grant funding from the national government.

10.1.5 The tariff increases under consideration in this draft budget are as follows:

• General rates	-	8%
• Refuse removal charges	-	10%
• Sale of electricity	-	15.33%

10.2 Funding in accordance with Section 18 of the LG: MFMA

PART 1 - Budgeting for Financial Performance			
Description	Budget Year 2010/2011 R'000	Budget Year 2011/2012 R'000	Budget Year 2012/2013 R'000
OPERATING REVENUE			
Property rates	38 315	40 371	42 736
Service charges	46 519	54 794	65 699
Rental of facilities and equipment	1 011	1 071	1 136
Interest earned - external investments	600	600	600
Fines	4 230	4 769	5 297
Licences and permits	12	12	12
Government Grants and subsidies - Operating	52 549	63 524	69 883
Government Grants and subsidies - Capital	52 642	49 038	53 980
Other revenue	10 519	10 963	11 371
Gains on disposal of PPE	200	200	200
Total operating revenue	206 597	225 342	250 914
OPERATING EXPENDITURE			
Employee related costs	51 818	56 981	62 288
Remuneration of councilors	11 491	12 456	13 502
Bad & doubtful debts	537	577	612
Collection costs	747	796	843
Depreciation	5 263	5 652	5 991
Repairs and maintenance	5 215	5 746	5 971
Finance charges	36	32	29
Bulk purchases	24 372	31 277	40 172
Contracted services	13 921	13 866	14 693
Grants and subsidies	359	378	397
General expenditure	39 985	48 374	51 555
Total operating expenditure	153 744	176 135	196 053
Surplus/(Deficit)	52 853	49 207	54 861

PART 2 - Budgeting for Cash Flow			
Description	Budget Year 2010/11 R'000	Budget Year 2011/12 R'000	Budget Year 2012/13 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other	96 199	110 342	125 506
Government - operating	53 148	50 848	50 520
Government - capital	43 731	43 117	47 650
Interest	600	600	600
Dividends			
Payments			
Suppliers and employees	(138 758)	(151 160)	(166 425)
Finance charges	(36)	(32)	(29)
Transfers and Grants	(357)	(374)	(391)
NET CASH FROM/(USED) OPERATING ACTIVITIES	54 527	53 341	57 431
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	0	0	0

Decrease (Increase) in non-current debtors			
Decrease in inventory	165	148	134
Decrease (increase) other non-current receivables			
Decrease (increase) in non-current investments			
Payments			
Increase in inventory			
Purchase of property, plant and equipment	(49 319)	(52 077)	(53 832)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(49 154)	(51 929)	(53 698)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Short term loans			
Borrowing long term/refinancing			
Increase (decrease) in consumer deposits	20	10	10
Payments			
Repayment of borrowing	(450)	(430)	(410)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(430)	(420)	(400)
NET INCREASE/ (DECREASE) IN CASH HELD	4 943	1 344	3 699
Cash/cash equivalents at the year begin:	23 430	28 373	29 717
Cash/cash equivalents at the year end:	28 373	29 717	33 416

PART 3 - Reconciliation of reserves and commitments backed by cash/investments			
Description	**Budget Year 2010/2011 R'000**	**Budget Year 2011/2012 R'000**	**Budget Year 2012/2013 R'000**
Reserves to be backed by cash	0	0	0
Capital budget creditors unpaid at year end	0	0	0
Total commitments:	0	0	0
Total cash and investments available			
Cash/cash equivalents at the year end	28 373	29 717	33 416
Long term investments held	-	-	-
Cash and investments available	28 373	29 717	33 416

10.3 Particulars of rates, refuse, electricity tariffs and other charges:

When the rates, electricity and refuse tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

10.3.1 Hereunder follows the tariffs for consideration:

PROPERTY RATES

Categories	Ratio in relation to residential property
Residential Property	1 : 1
Commercial and Industrial Property	1 : 1
Agricultural Property	1 : 0.25
Public Service Infrastructure	1 : 0.25

TARIFFS FOR PROPERTY RATES

Category	2009/2010 c/R	2010/2011 c/R
Residential	1.27	1.37
Commercial and Industrial	1.27	1.37
Government	1.27	1.37
Municipal	1.27	1.37
Clubs/Churches	1.27	1.37
Agricultural	0.32	0.342
Public service infrastructure	0.32	0.342

PROPERTY RATES – REBATES AND REVENUE FOREGONE (2010/2011)

	% Rebates	Total
Rebates		
Clubs. Churches	100	1 203 363
Pensioners	40	39 878
Department of Public works	20	554 901
Municipal Properties	100	2 042 677
Indigents	100	228 248
2nd Year phase in	50	2 801 616
3rd Year phase in	25	5 743
Small holdings with agricultural activities	50	860
Public service infrastructure	30	-
Revenue Foregone		
First 30% of the M/V for PSI		2 401 385
1st R50 000 non-ratable on residential		2 066 040
1st R15 000 non-ratable on vacant residential		78 631
		11 423 342

SECTION A: CHARGES FOR ELECTRICITY

		2009/2010	2010/2011
1.	Eshowe Consumers		
1.1	Domestic consumers, churches and old age homes		
1.1.1	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)	123.73	142.69
1.1.2	Consumption charge	0.57	0.65
1.2	Businesses, clubs, boarding houses, hotels, schools and hostels, Government / NPA		
1.2.1	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)		
	For a single-phase connection per month	203.42	234.58
	For a three-phase connection per month	398.86	459.98
1.2.2	Consumption charge	0.66	0.78
1.3	Large Consumers		
1.3.1	Monthly Service charge (which charge excluded any kilowatt hour of electricity consumed)	175.96	202.95
	Consumption charge for KVA	92.02	106.13
1.3.2	Consumption charges	0.35	0.40
2.	King Dinuzulu Consumers		
2.1	Monthly Service Charge		
	Domestic	123.73	142.69
	Businesses	398.86	459.98
2.2	Consumption Charge		
	Domestic	0.57	0.65
	Businesses	0.66	0.78
3.	User where Prepaid Meters have been installed		
3.1	Consumption charge –Domestic	0.79	0.83
3.2	Consumption charge-Commercial (single phase)	0.79	1.07
.3	Consumption charge-Commercial (three phase)	0.79	1.35
3.4	Low Cost Housing	0.66	0.83
3.5	Fee for purchasing pre-paid electricity for after hours	10.00	10.00
4.	Connection fees for the supply of Electricity to Building Contractors		
4.1	Connection fees other than 3 phase		
4.1.1	Connection fees (including disconnection)	203.42	234.58
4.1.2	Plus all kilowatt hours consumed at Maximum period of supply 6 months	0.66	0.78
4.2	3 Phase connections		
4.2.1	Connection fee (including disconnection)	398.86	459.98
4.2.2	Plus all kilowatt hours consumed at no maximum period of supply 6 months	0.66	0.79
5.	Availability Charge		
5.1	An availability charge is payable in respect of all properties, which can be yet or not served by the electricity reticulation network.	110.09	128.94

SECTION B: CONSUMER DEPOSITS

		2009/2010	2010/2011
1.	Domestic Supply		
	Amateur sporting clubs Charitable institutions Churches Government dwellings and institutions Private dwelling houses Retirement and care centres Townhouses Residential Flats	950.00	2300.00
2.	Low Cost Housing Schemes		
2.1	Where valuation of property is below R50 000,00 (receives free refuse)	Nil	Nil
2.2	Where valuation of property exceeds R50 000,00	250.00	300.00
3.	Households With Pre Paid Electricity	250.00	300.00

4.	Commercial Supply		
4.1	Deposit to be based on three times the average monthly account over a period of three months of a similar business or three times the average account over a period of three months of the previous consumer		
4.2	Should the business to be operated be of the same type or per discretion of the Chief Financial Officer or his assignee with a minimum of R3300,00		
4.3	Where the minimum deposit is more than R5000.00, the applicant be allowed to provide a bank guarantee for the required deposit.		

5.	Commercial Consumers with Pre Paid Electricity		
5.1	Refuse removal service at least one day per week	250.00	450.00
5.2	Refuse removal service for a six day removal per week	250.00	850.00

SECTION C: SUNDRY ELECTRICITY CHARGES

		2009/2010	2010/2011
1.	Testing Fee		
1.1	Special fee for testing installation at consumers request	78.95	87.72
1.2	Meter test o Prepayment meter testing fee o Single phase conventional meter o 400V Three phase conventional meter o 11 kv meter	 203.51 271.93 350.88 Cost + 10%	 223.68 299.12 385.96 Cost + 10%
1.3	Inspection fee, after failure upon first test	78.95	87.72
1.4	Fee for checking meter reading (Which fee will be refunded should the reading be found to be incorrect)	131.58	144.74
2.	Disconnection Charge		
2.1	Final Notice of demand		
2.1.1	Properties within the Municipality	92.11	105.26
2.1.2	Properties outside the Municipality (Plus 32c /km)	92.11	105.26
2.1.3	Where the disconnection is performed by a private contractor at the request of the Manager Financial Services	188.60	210.53
3.	Reconnection Charge (penalties for services that may be disconnected if not paid on due date)		
3.1	For non-payment of account	87.72	105.26
3.2	For other reasons, per each occasion	87.72	105.26
3.4	Connection charge – after office hours	254.39	315.79
4.	SERVICE CONNECTION FEES (NEW TARIFFS)		
4.1	Single phase prepayment connection (60 amp)		1307.02
4.2	Single phase prepayment connection (Sunnydale 20 amp)		719.30
4.3	Upgrade single phase prepayment connection (20 amp - 60 amp) (KDS / Sunnydale)		8280.70
4.4.	Alternative single phase prepayment connection including ready board and cable		2671.05
4.5	Single phase meter conversion from conventional to prepayment(Domestic and Small Business)		890.35
4.6	Three phase meter conversion from conventional to three phase prepayment (Domestic and Small Business)		3302.63
4.7	Single phase conventional connection (see council resolution)		1057.02
4.8	Second single phase prepayment connection on the same or subdivided premises		10333.33
4.9	Single phase meter conversion from conventional to three phase conventional (Domestic and Small Business)		10872.81
4.10	Single phase meter conversion from conventional to three phase prepayment meter (Domestic and Small Business)		11947.37
4.11	Domestic conversion from single to three phase maximum demand on connection (100Amp)		12412.28
4.12	Domestic three phase conventional connection with a maximum demand of 100Amp		12048.25

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4.13	Domestic three phase prepayment connection		3399.12
4.14	New 80A single phase supply or conversation from 60A to 80A		3557.42
4.15	Non-domestic three phase connection with a maximum demand of 100Amp		14842.11
4.16	Conversion from 80A single phase prepayment to 3 phase prepayment connection		8916.67
4.17	Three phase connection with a max demand greater than 60 Amp (100A Eshowe) All cost plus 10% of all equipment necessary plus the cost of the infrastructure contributions for additional electricity above that being existing or allowed based on the zoning and area of the premises		
5.	Tampering Fee	956.14	1052.63
6.	Pre Paid Electricity Identification Card	26.32	43.86
7.	Moving / Relocation of a prepayment meter	337.72	372.81
8.	Replacement of damaged or burnt-out prepayment meter single phase	381.58	421.05
9.	Replacement of damaged or burnt-out prepayment meter three phase	1500.00	1649.12
10.	Certificate of Compliance – revisit fee	254.39	280.70

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WASTE MANAGEMENT

SECTION A: REFUSE REMOVAL FEES

1.	*ESHOWE*	2009/2010	2010/2011
1.1	Domestic (removal service one day per week) Per refuse receptacle, per month	77.59	85.32
1.2	Removal of refuse from business and other premises		
1.2.1	Per refuse receptacle for a service of at least one day per week, per month	118.42	130.14
1.2.2	Per refuse receptacle for a six days per week clearance, per month	226.10	248.70
1.3	King Dinuzulu Users Residential Business	 40.75 79.82	 59.10 116.28
1.4	Mass container removal service four days per week,		
1.4.1	per container, per month	2497.54	2747.31
1.4.2	Mass container removal service four days per container where the consumer supplies the container for – The first 12 months Thereafter per month	 442.37 2497.54	 486.61 2747.31
1.5	Schools		
1.5.1	Removal Service one day per week,	119.65	131.59
1.5.2	Per refuse receptacle for a six days per week clearance, per month at schools	119.65	248.70
1.6	Hire of garden refuse container "Skip" for 2 day period	139.34	280.70
1.7	Removal of builders' rubble from properties per load of 2,3m or part hereof	424.56	464.91
1.8	Per polythene plastic bags	1.14	1.27
1.9	One bag of polythene black plastic bags (20 bags)	New	26.32
1.10	Making use of transfer station		
1.10.1	Businesses (Including garden services)	New	150.00 per ton
1.10.2	Builders rubble	New	150.00 per ton

EXCLUSIVE OF VAT

2.	*MTUNZINI*	2009/2010	2010/2011
	Removal of household, domestic or business refuse from all properties / for 2 removals per week, per month or part thereof -		
2.1	Domestic including clubs	77.59	85.32
2.2	Hotels and supermarkets	483.77	532.15
2.3	Other food handling businesses	226.10	248.70
2.4	Non-food handling businesses	118.42	130.14
2.5	Schools	119.65	131.59
2.6	Caravan parks for every 10 sites or part thereof	81.49	89.64
2.7	For every additional removal per load or part hereof	118.42	130.14
2.8	General Residential II sites per unit	81.49	89.64
2.9	Prawn farm	286.18	314.80
2.10	Use of refuse dump by instances outside municipal area, per month or part thereof	891.84	981.02
2.11	Removal of refuse other than household or domestic, per load thereof	119.65	131.58
2.12	Removal of building rubble, per load thereof	424.74	464.91
2.13	Removal of Garden refuse per black bag	13.90	17.54
2.14	Making use of transfer station		
2.14.1	Businesses (Including garden services)	New	150.00 per ton
2.14.2	Builders rubble	New	150.00 per ton
3.	*GINGINDLOVU*		
3.1	Commercial per month	118.42	130.14
3.1.1	Commercial (Bulk) per month	91.18	100.30
3.2	Residential per month	77.59	85.32
3.3	Garden Refuse per black bag or part thereof	13.90	17.54
3.4	Rubble Removal per load or part thereof	424.74	464.91
3.5	Lot Clearing per lot	Cost + 10%	Cost + 10%

EXCLUSIVE OF VAT

*Note : Electricity and refuse tariffs are submitted separately with the budget approval.
*New Tariff is inclusive of VAT

1.	ADVERTISEMENTS	OLD TARIFF	NEW TARIFF
	Display of Advertisements General advertisements of events, meetings. Billboards, directional signage and any other signage determined by the Council may be subject to the services of an Advertising Consultant Company.		
1.1	Posters (per poster per month): - General Welfare Organisations Political	New Tariff	 R10.00 R5.00 R5.00
1.2	Per banner per month	R240.00	R100.00
1.5	Billboards – per Bill Board annual charge irrespective if display period is less than one year	New Tariff	R12 000.00
1.6	Deposit of 50% of quantities displayed - such deposit shall be retained by Council to cover costs incurred if adverts are not removed within 30 days	New Tariff	50% of total
2.	HANDBILLS	OLD TARIFF	NEW TARIFF
2.1	For the permission to distribute handbills within the Municipality, Per month	R 410.00	R500.00
2.2	For the permission to distribute handbills with the Municipality, Per year	R2 310.00	R3 500.00
3.	COMMUNITY HALLS	OLD TARIFF	NEW TARIFF
3.1	HIRE FEE FOR COMMUNITY HALLS		
3.1.1	General functions including weddings, concerts, contests, dances, exhibitions, tournaments and any other function which derives a financial benefit	R1 100.00	R1200.00
3.1.2	Religious Services	R 180.00	R200.00
3.1.3	Public meetings	R 180.00	R200.00
3.1.4	Hire of Community Halls facilities by non-residents for any purposes	Normal rate +50%	Normal rate +50%
3.1.5	Political Meetings	R 700.00	R250.00
3.1.6	For any other purpose approved by the Council per day	R 700.00	R800.00
3.1.7	Hire of Premier Conference Center	R 640.00	R700.00
3.2	DEPOSIT FEE FOR COMMUNITY HALLS		
3.2.1	General functions including weddings, concerts, contests, dances, exhibitions, tournaments and any other function which derives a financial benefit	R3 500.00	R3500.00
3.2.2	Religious Services	R 180.00	R200.00
3.2.3	Public Meetings	R 180.00	R200.00
3.2.4	For any other purpose approved by the Council per day	R 700.00	R800.00
3.2.5	Political Meetings	R4 100.00	R500.00
The right to determine the period of hire is reserved by Council and the Municipal Manager is delegated discretionary authority on interpretation of applications and relevant tariffs to be charged. Deposits to be paid in advance in cash or bank guaranteed cheque. Temporary bookings will be accepted subject to 50% of the required deposit being paid in advance and the balance payable 24 hours prior to the event.			

4.	TOWN PLANNING	OLD TARIFF	NEW TARIFF
4.1	SPECIAL CONSENT		
4.1	Application for special consent in terms of Section 67 (bis) of the Town Planning Ordinance No 27 of 1949 Tariff per application	Refer to new Tariffs in terms of Planning and Development Act 06 of 2008	
4.2	SUBDIVISION OF LAND		
4.2.1	Application to subdivide – Basic fee		
4.2.2	Fee for each intended subdivision (remainder counted as a Subdivision)		
4.2.3	Amendment to existing subdivision		
4.3	REZONING		
4.3.1 4.3.2 4.3.3 4.3.4	Basic rezoning fee for less than 1 hectares 1 – 5 hectares 5 -10 hectares Greater than 10 hectares		
5.	ENCROACHMENT – SIGNS	OLD TARIFF	NEW TARIFF
	Street Encroachment The charges for street encroachment shall be payable annually in advance per sign as follows:-		
5.1	Verandah posts, each	R 240.00	R250.00
5.2	Verandah, ground floor, per m² or part thereof and including Cantilevers overhanging the pavement or footpaths, Per m² or part thereof	R 14.00	R15.00
5.3	Sign boards on, or overhanging the footpaths or pavement, each	R 350.00	R400.00
5.4	Building Rubble, sand and the like left on the pavement per day or part thereof	R 30.00	R50.00
5.5	Display of signs for hotels, boarding houses, guest houses and Bed and breakfast accommodation (Maximum 4 signs per establishment), per sign per annum	R 300.00	R350.00
6.	MISCELLANEOUS SERVICES	OLD TARIFF	NEW TARIFF
	The following fee shall be paid to the Manager Financial Services in advance for the production of documents, provision of certificates and extract information from records, etc.		
6.1	Search fee per account, document or file produced for inspection or duplicate accounts made out	R 30.00	R40.00
6.2	Certified copy of extract from Council's minutes and or hearing per page	R 30.00	R40.00
6.3	Rates certificates for each certificate granted	R 35.00	R40.00
6.4	Another certificate for each certificate	R 40.00	R50.00
6.5	Standard and other bylaws per copy Extract of bylaws per page or part thereof	R 60.00 R 10.00	R70.00 R15.00
6.6	Valuation Roll per town	R600.00	R700.00
6.7	Valuation Roll per folio	R 10.00	R15.00
6.8	Voters Roll per folio	R 10.00	R15.00
6.9	General Photocopy fees	R 5.00	R5.00
6.10	Clearing of vacant lots	R825.00	R900.00
6.11	Tender Documents – Unless specifically prescribed	New	R350.00
6.12	Refer to Drawer cheque/debit link rejection	New	R75.00
7.	LIBRARIES	OLD TARIFF	NEW TARIFF
7.1	Overdue library material excluding videos	R 2.50	R3.00
7.2	Overdue video material	R 3.50	R4.00
7.3	Overdue library books including talking books	R 2.50	R3.00
7.4	Overdue video or DVD material	R 4.50	R5.00
7.5	Overdue Technicon Books	R 4.50	R5.00
7.6	Lost book identity card	R30.00	R35.00
7.7	Lost patron card	R30.00	R35.00
7.8	Lost Technicon card	R30.00	R35.00
7.9	2nd notification letter / post card	R10.00	R15.00

7.10	Photocopies of Library material per page	R 0.50	R0.50
8.	PROMOTION OF ACCESS TO INFORMATION	OLD TARIFF	NEW TARIFF
8.1	Application Fee	R35.00	R40.00
8.2	For every A 4 photocopy relating to the promotion of access to Information Act	R 2.50	R3.00
8.3	For a copy in a computer readable format: - Compact Disk Copy of an audio record	 R50.00 R50.00	 R60.00 R60.00
8.4	To search for the record for disclosure for each hour excluding the first hour	R30.00	R35.00
8.5	The actual postal fee is payable when a copy of a record must be posted to a requester		
9.	PUBLIC TOILETS	OLD TARIFF	NEW TARIFF
9.1	Usage of public toilet per person	R 3.00	R3.00
9.2	Collection of water for cooking; washing cars and other per litre	R 1.10	R1.10
10.	FUNCTIONS/RECREATIONAL USE – RUTLEDGE PARK DAM AND ESHLAZI DAM, ESHOWE	OLD TARIFF	NEW TARIFF
10.1	Deposit per day	R1 220.00	R1500.00
10.2	Hire Fee per day	R 600.00	R700.00
	Swimming Pool : Eshowe & Sunnydale		
10.3	Day ticket	R 15.00	Children-R5.00 Adults – R7.50
10.4	Season ticket	R 50.00	Children-R50.00 Adults – R75.00
	Caravan Park : Eshowe		
10.5	Caravan Park		R60.00 pp per day (includes elec)
11.	GARDEN REFUSE AND BUILDING RUBBLE TARIFFS	OLD TARIFF	NEW TARIFF
	REFER TO TARIFFS UNDER WASTE MANAGEMENT TARIFFS		
12.	BUILDING PLAN TARIFFS	OLD TARIFF	NEW TARIFF
12.1	NEW WORKS		
12.1.1	For each new building or additions to existing buildings per square metre		
12.1.2	For the first 20 m²	R150.00	R160.00
12.1.3	Each additional 10 m² or part thereof up to 5 000 m²	R70.00	R80.00
12.1.4	Each additional 10 m² or part thereof more than 5 000 m² and up to 15 000 m²	R25.00	R30.00
12.1.5	Each additional 10 m² or part thereof more than 15 000 m²	R15.00	R20.00
12.2	AS BUILT OR AMENDED PLANS		
12.2.1	For as built plans, 25% of existing submission fee, plus full tariff for additional new works	25% of existing fee plus full tariff	25% of existing fee plus full tariff
12.3	INTERNAL ALTERATIONS TO EXISTING BUILDINGS		
12.3.1	Any form of internal alterations to existing buildings of any nature not defined as "as built" or amended plans" (i.e. plans passed and structures which have already passed occupation requirements)		
12.3.2	Fixed tariff : Structures up to 500 m²	R250.00	R260.00
12.3.3	Structures up to 5 000 m²	R550.00	R560.00
12.3.4	Structures exceeding 5 000 m²	R900.00	R920.00
12.3.5	For the renewal of plans which have expired	50% of existing submission fee	50% of existing submission fee
12.3.6	For swimming-pools	R250.00	R260.00
12.3.7	For boundary walls / Fences	R250.00	R260.00

12.3.8	For any other plan submitted other than described above, a fixed tariff of	R340.00	R350.00
12.3.9	For a permit for minor structures in terms of Act 103 of 1977, a fixed tariff of	R150.00	R160.00
13.	PRODUCTION OF MAPS/BUILDING PLAN	OLD TARIFF	NEW TARIFF
13.1	OZALID COPIER		
13.1	A1 paper	R20.00	R30.00
13.2	HP COPIERS BLACK/WHITE PRINTS		
13.2.1	A4	R10.00	R15.00
13.2.2	A3	R12.00	R20.00
13.2.3	A2 & A1	R25.00	R30.00
13.2.4	A0	R45.00	R50.00
13.3	HP COPIERS COLOUR PRINTS		
13.3.1	A4	R20.00	R25.00
13.3.2	A3	R35.00	R40.00
13.3.3	A2 & A1	R120.00	R125.00
13.3.4	A0	R170.00	R175.00
13.4	LAMINATE COPIES		
13.4.1	A2 & A1	R35.00	R40.00
13.4.2	A0	R55.00	R60.00
13.5	A0 SCANNER, COPIER & PRINTER		
13.5.1	A0 paper	R30.00	R35.00
13.5.2	A1 paper	R15.00	R20.00
13.5.3	A0 plastic	R70.00	R75.00
13.5.3	A1 plastic	R35.00	R40.00
14.	ENGINEERING INSPECTIONS AND APPLICATIONS	OLD TARIFF	NEW TARIFF
14.1	P.T.O. Applications	R340.00	R350.00
14.2	Sewer Inspections	R150.00	R160.00
14.3	Encroachments (per side)	R140.00	R150.00
14.4	Site visit for boundary lines (per peg)	R150.00	R160.00
15.	ROAD CROSSING RE-INSTATEMENTS	OLD TARIFF	NEW TARIFF
15.1	Premix surfacing per m²	R75.00	R90.00
15.2	Base (G2 crusher run) per m²	R90.00	R100.00
16.	CEMETERY TARIFFS	OLD TARIFF	NEW TARIFF
16.1	TARIFFS FOR RESIDENTS		
16.1.1	Burial for stillborn/infant	R 540.00	R550.00
16.1.2	Burial for person under the age of 12 years	R 660.00	R670.00
16.1.3	Burial for person over the age of 12 years	R 910.00	R920.00
16.1.4	Burial Double deep	R1 560.00	R1600.00
16.1.5	Burial Casket	R1 560.00	R1600.00
16.1.6	Double grave	R1 820.00	R1900.00
16.1.7	Niche – Wall of Remembrance	R 200.00	R250.00
16.2	TARIFFS FOR NON-RESIDENTS		
16.2.1	Burial for stillborn/infant	R1 300.00	R1400.00
16.2.2	Burial for person under the age of 12 years	R1 950.00	R2000.00
16.2.3	Burial for person over the age of 12 years	R3 900.00	R4000.00
16.2.4	Double grave	R5 720.00	R6000.00
16.2.5	Niche – Wall of Remembrance	R 400.00	R450.00
16.3	GENERAL		
16.3.1	Opening a grave for exhumation	R6 500.00	R7000.00
16.3.2	Permission to erect memorial stone	R 200.00	R250.00
16.3.3	Proof must be handed in that the deceased was resident in the Council's area or jurisdiction for a continuous period exceeding 3 months		
16.3.4	Burial plot sizes: adult – 2,5m x 1,5m x 1,8m deep		
16.3.5	Burial plot sizes: child – 1,5m x 1,0 x 1,8m deep		
16.3.6	Burial aperture sizes: adult – 2,2m x 0.9m x 1,8m deep		
16.3.7	Burial aperture sizes: child – 1,2m x 0,7m x 1,8m		

FIRE AND RESCUE SERVICES TARIFF OF CHARGES: YEAR 2010/11		COST PER HOUR	
1.	FIRE	OLD TARIFF	NEW TARIFF (Incl VAT)
1.1	Attendance at grass, bush, garden refuse or rubbish fire caused by any malicious act or omission, negligence or disregard of any law	NEW	R 1000.00
1.2	Attendance at automatic fire alarm: false alarm condition caused by any omission, negligence or lack of reasonable maintenance or disregard of any law	NEW	R 1000.00
1.3	Attendance at any malicious false call caused by any malicious act or omission, negligence or disregard of any law	NEW	R 2000.00
1.4	Cost of replacement of any extraordinary extinguishing agents, suppliers, material, tools, or equipment used at, or damage during any incident or in connection with any such incident or the hire of any contractors or equipment	NEW	Cost plus 15%
2.	RESCUE		
2.1	Attendance at any malicious false call caused by any malicious act or omission, negligence or disregard of any law	NEW	R 2000.00
2.2	Cost of replacement of any extraordinary extinguishing agents, suppliers, material, tools, or equipment used at, or damage during any incident or in connection with any such incident or the hire of any contractors or equipment	NEW	Cost plus 15%
3.	SPECIAL SERVICES		
3.1	Pumping operations, (hourly rate plus cost of water)	NEW	Refer to charges set out in section B.2.
3.2	Attendance at Hazardous material incidents	NEW	Same as above
3.3	Other special services	NEW	Same as above
3.4	Standby services	NEW	Same as above
3.5	Standby services	NEW	Same as above
3.6	Cost of replacement of any extraordinary extinguishing agents, suppliers, material, tools, or equipment used at, or damage during any incident or in connection with any such incident or the hire of any contractors or equipment	NEW	Cost plus 15%
B.	FIRE BRIGADE SERVICES RENDERED IN RESPECT OF ATTENDANCE AT FIRE, RESCUE, HAZARDOUS MATERIAL INCIDENTS AND SPECIAL SERVICES, OUTSIDE COUNCIL AREAS OF JURISDICTION.		
1.	TURN-OFF FEE AND REPLACEMENT COSTS		
1.1	A Turn-off fee will be levied in addition to the charges specified in B.2. below	NEW	R 1400.00
1.1.1	The turn-out fee will be levied in respect of any shipping incident attended, including rescue, in addition to the charges as specified in B.2. below. This turn-out fee is not applicable in respect of an official Mutual	NEW	R 1400.00

	Aid Agreement between Fire Brigade services		
1.2	Cost of replacement of any extraordinary extinguishing agents, suppliers, material, tools, or equipment used at, or damage during any incident or in connection with any such incident or the hire of any contractors or equipment	NEW	Cost plus 15%
2.	VEHICLE PERSONNEL AND EQUIPMENT		
2.1	Per fire tender or rescue appliance	NEW	R 500.00
2.2	Per fire tender to Airport (no personnel)	NEW	R250.00
2.3	Per equipment trailer	NEW	R 100.00
2.4	Per aquatic rescue craft	NEW	R 400.00
2.5	Per staff car	NEW	R 300.00
2.6	Per item of portable motor driven equipment	NEW	R 200.00
2.7	Per kilometer per fire tender or rescue vehicle	NEW	R 15.00
2.8	Per kilometer per staff car	NEW	R 8.00
2.9	Per fire officer	NEW	R 200.00
2.10	Per firefighter	NEW	R150.00
C	FIRE SAFETY SERVICES		
1	Registration of flammable substance installations and vehicles	NEW	R 200.00
2	Investigation of fire	NEW	As per B.2.
3	Per copy of incident report	NEW	R 100.00
4	Standby services	NEW	As per B.2.
5	Fire surveys as requested	NEW	As per B.2.
D	CONTROL CENTRE SRVICES	NEW	
1	Monthly monitoring fee: Alarm system linked to fire control	NEW	R 250.00
2	Copy of alarm or incident report	NEW	R 100.00
E	TRAINING (CHARGE LEVIED PER CANDIDATE)		
1	Fire Extinguisher Course	NEW	R 400.00
2	Basic Fire Technology Course	NEW	R 1000.00
3	Advance Industrial Fire Team Course	NEW	R 2000.00
4	Breathing Apparatus Course	NEW	R 1200. 00
5	Hazardous Material Course	NEW	R 2400.00
6	Marine Fire Fighting Course	NEW	R 2400.00
7	Rescue Course	NEW	R 1400.00
		NEW	

8	First Aid Course		R1000.00
9.	Any Course not specifically provided for	NEW	As per B. 2.
10	Use of fire station lecture room or training ground	NEW	R 500.00 Plus costs

TAXI RANK TARIFFS

1.	Permit Per Annum	NEW	R100.00

	uMlalazi Municipality Town Planning Tariffs	New Tariff from 1 July 2010 Including VAT
1.	TOWN PLANNING	
1.1	Consideration for approval of subdivisions/consolidations	
1.1.1	Basic fee	R900,00
1.1.2	Additional fee, per subdivision (Remainder to be considered a subdivision)	R100,00
1.1.3	Amendment of subdivisions in process	R200,00
1.1.4	Application for Registration of right of way servitudes/long term leases – Administration Fee (Note – This excludes legal fees)	R200,00
1.1.5	Application for phasing/cancellation of approved layout plans – Administration Fee	R1 500,00
2.	Application for relaxation of building line and/or side and rear spaces in terms of Town Planning Clauses (per application)	R650,00
3.	Rezoning Applications	
3.1	Rezoning of unused public open spaces in line with Council's Policy (NOTE – Advertisement, Closure and subdivision/consolidation fees would still apply)	Nil
3.2	Other rezonings:	
	(i) Less than 1 ha	R2 000,00
	(ii) 1 hectare and over but less than 5 hectares	R2 500,00
	(iii) 5 hectares and over but less than 10 hectares	R3 500,00
	(iv) 10 hectares and over	R5 000,00
4.	Zoning certificates	R40,00
5.	Special Consent	
5.1	Consent to operate home industry without additional employment opportunities (Category A)	R500,00
5.2	All other consent use applications (Category B)	R1 000,00
6.	Removal of Restrictive Conditions of Title	R1 000,00
7.	Closure of Public Streets / Open Spaces – Administration Fee	R250,00
8.	Administration of DFA Applications:	
	(i) Less than 1 ha	R2 000,00
	(ii) 1 hectare and over but less than 5 hectares	R2 500,00
	(iii) 5 hectares and over but less than 10 hectares	R3 500,00
	(iv) 10 hectares and over	R5 000,00
9.	Development outside of scheme areas	
	(i) Less than 5 hectares	R3 000,00
	(ii) 5 hectares and over but less than 10 hectares	R4 500,00
	(iii) 10 hectares and over	R7 000,00
10.	Public Notice	
10.1	Notices in the legal section	R1 700,00
10.2	Notices in the body of the paper	R5 000,00
11.	Hearings	Cost plus 10%
12.	Fines – as per Section 75 and 89 of the Planning and Development Act	
12.1	Fines as per Section 75	As per court order
12.2	Additional penalties in accordance with Section 76	As per court order
12.3	Section 89 Civil Penalty	10-100% of value of illegal building/construction, etc.

In light of the introduction of the new Planning and Development Act in April 2010, the tariffs have had to be revised so as to respond to the new planning processes included therein. In that regard, all proposals now read as per the tariff. In the instance that multiple applications are lodged for consideration of Council, individual tariffs will be applicable to each type of application included on the application form.
Applications previously known as “consent uses” will now be known as Formal Authority throughout the Councils jurisdiction. This is in line with the PDA. Applications previously known as “Special Consent” will now be known as Consent throughout the Council’s jurisdiction. This is in line with the PDA.

10.3.2 Effect of tariff on customer accounts

	MTUNZINI		MTUNZINI		MTUNZINI		Small	Medium	Large
	Small Residential		Medium Residential		Large Residential		Proposed % Increase	Proposed % Increase	Proposed % Increase
SERVICES	Current 2009/2010	Proposed 2010/2011	Current 2009/2010	Proposed 2010/2011	Current 2009/2010	Proposed 2010/2011			
Electricity (Provided by Eskom)	0.00	0.00	0.00	0.00	0.00	0.00			
Refuse	77.56	85.32	77.56	85.32	77.56	85.32	10%	10%	10%
Rates	142.94	154.35	529.43	571.67	1206.56	1302.83	8%	8%	8%
TOTAL ACCOUNT (EXC VAT)	220.50	239.67	606.99	656.99	1284.12	1388.15			
VAT	10.86	11.94	10.86	11.94	10.86	11.94			
TOTAL ACCOUNT (INCL VAT)	231.36	251.61	617.85	668.93	1294.98	1400.09	8.76%	8.27%	8.12%
		20.26		51.08		105.11			

Notes:

Small Residential rates charges is based on the property valued at R185 000	Medium Residential rates charges is based on the property valued at R550 000	Large Residential rates charges is based on the property valued at R1 189 000

	GINGINDLOVU		GINGINDLOVU		GINGINDLOVU		Small	Medium	Large
	Small Residential		Medium Residential		Large Residential		Proposed % Increase	Proposed % Increase	Proposed % Increase
SERVICES	Current 2009/2010	Proposed 2010/2011	Current 2009/2010	Proposed 2010/2011	Current 2009/2010	Proposed 2010/2011			
Electricity (Provided by Eskom)	0.00	0.00	0.00	0.00	0.00	0.00			
Refuse	77.56	85.32	77.56	85.32	77.56	85.32	10%	10%	10%
Rates	82.62	89.18	189.00	203.51	325.07	351.00	8%	8%	8%
TOTAL ACCOUNT (EXC VAT)	160.18	174.50	266.56	288.83	402.63	436.32			
VAT	10.86	11.94	10.86	11.94	10.86	11.94			
TOTAL ACCOUNT (INCL VAT)	171.04	186.44	277.42	300.78	413.49	448.27	8.26%	7.77%	7.76%
		15.41		23.36		34.78			

Notes:

Small Residential rates charges is based on the property valued at R128 000	Medium Residential rates charges is based on the property valued at R228 000	Large Residential rates charges is based on the property valued at R357 000

	ESHOWE		ESHOWE		ESHOWE		Small	Medium	Large
	Small Residential		Medium Residential		Large Residential		Proposed %	Proposed %	Proposed %
SERVICES	Current 2009/2010	Proposed 2010/2011	Current 2009/2010	Proposed 2010/2011	Current 2009/2010	Proposed 2010/2011	Increase	Increase	Increase
Electricity	196.98	227.19	281.40	324.55	450.24	519.28	15.33%	15.33%	15.33%
Basic charges	123.72	142.69	123.72	142.69	123.72	142.69	15.33%	15.33%	15.33%
Refuse	77.56	85.32	77.56	85.32	77.56	85.32	10%	10%	10%
Rates	134.47	145.20	476.48	514.20	900.02	971.83	8%	8%	8%
TOTAL ACCOUNT (EXC VAT)	532.73	600.40	959.16	1067.06	1551.54	1719.12			
VAT	55.76	63.73	67.58	77.36	91.21	104.62			
TOTAL ACCOUNT (INCL VAT)	588.49	664.13	1026.74	1144.42	1642.75	1823.74	11.27%	10.28%	9.92%
		75.64		117.68		180.99			

Notes:

Small Residential rates charges is based on the property valued at R177 000. Elec 350Kwh	Medium Residential rates charges is based on the property valued at R500 000. Elec 500Kwh	Large Residential rates charges is based on the property valued at R900 000. Elec 800Kwh

	KING DINUZULU		KING DINUZULU		KING DINUZULU		Small	Medium	Large
	Small Residential		Medium Residential		Large Residential		Proposed %	Proposed %	Proposed %
SERVICES	Current 2009/2010	Proposed 2010/2011	Current 2009/2010	Proposed 2010/2011	Current 2009/2010	Proposed 2010/2011	Increase	Increase	Increase
Electricity	112.56	129.82	196.98	227.19	281.40	324.55	15.33%	15.33%	15.33%
Basic charges	123.72	142.69	123.72	142.69	123.72	142.69	15.33%	15.33%	15.33%
Refuse	40.76	59.10	40.76	59.10	40.76	59.10	45.00%	45.00%	45.00%
Rates	93.48	100.61	137.65	148.63	219.18	236.67	8%	8%	8%
TOTAL ACCOUNT (EXC VAT)	370.52	432.22	499.11	577.61	665.06	763.01			
VAT	38.79	46.43	50.60	60.06	62.42	73.69			
TOTAL ACCOUNT (INCL VAT)	409.31	478.65	549.71	637.66	727.48	836.70	14.49%	13.79%	13.05%
		69.34		87.95		109.21			

Notes:

Small Residential rates charges is based on the property valued at R138 000. Elec 200Kwh	Medium Residential rates charges is based on the property valued at R180 000. Elec 350Kwh	Large Residential rates charges is based on the property valued at R257 000. Elec 500Kwh

10.4 Debtor's collection levels

The Finance Department endeavors to improve the collection levels of the outstanding debtor accounts by implementing the following:

- To execute termination of electricity supply by looking at the total outstanding account on the premises. This means that the electricity supply will be terminated if property rates is outstanding on the property
- To block the sale of pre paid electricity by looking at the total outstanding account, including property rates on the premises.
- An improved structure for arrangements and extensions of time for payment of outstanding debt.
- Quarterly meetings with the Council's attorneys to discuss problem areas on handed over cases.

10.5 Planned savings and efficiencies over the medium term revenue and expenditure framework

The following savings and efficiencies were discussed at management and Executive Committee level:

- Cut down on nice to have items in the operating expenditure and capital budgets.
- Cut down on unnecessary subsistence and travel to workshops and meetings that do not add value to the Council's operations.
- Managers of departments are instructed to improve the control of the overtime of their staff.
- The implementation plans in terms of the IDP must be developed and implemented in house by the relevant departments. Avoid the appointment of consultants.
- The Manager: Protection Services must ensure the productive utilization of the speeding camera/cameras
- To enhance the revenue on waste management, the Manager: Engineering services must identify which consumers are placing a burden on the waste transfer station. Design a new tariff structure.

10.6 Investments

At present the Council does not have investments to fund the operating or capital expenditure. The investment portfolio for the Council is investments for conditional grants received from National Treasury.

10.7 Planned proceeds from the lease of assets

Rental Facilities	
Description	Budgeted Amount for 2010/20113
Rents – Zululand Show Society	R 200-00
Rent – Sundry	R 53,770-00
Rent – Sugar Cane Lease	R 647,650-00
Leases – Land Ging	R 192,860-00
Rental – Road Reserve	R 190-00
Rent Received- Staff Housing	R 84,300-00
Insurance – General Rentals	R 26,040-00
Rent Received- Sunnydale House	R 6,300-00
Total Budgeted for Rental Facilities	R1,011,310-00

10.8 Planned use of bank overdraft

- The Council's primary bank account is with First National Bank in Eshowe
- The overdraft facility at the bank is R5 000 000.
- It is envisaged that use will be made of the bank overdraft facility during the 2010/2011 budget year, due to payment of large amounts for capital projects while waiting for transfer of government grants

10.9 New borrowing proposed to be raised.
There is no capital project in the 2010/2011 budget year that requires external funding.

10.10 Budget allocations and grants to the municipality

Government grants and subsidies		
Description	*Operating*	*Capital*
National Government	52 326 520	52 641 710
Department of Co operative Governance and Traditional Affairs	121 000	
Provincial health subsidies	2 289 000	
Provincial Administration	163 000	
uThungulu District Municipality	539 900	
TOTAL	55 439 420	52 641 710

11. Expenditure on allocations and grant programmes

The expenditure on allocation and grant programmes are as follows:

Details	Operating Budget 2010/2011	Capital Budget 2010/2011
NATIONAL GOVERNMENT		
EQUITABLE SHARE		
Rates Fund Admin Contribution	25 805 000	
International Relations	190 000	
Free Refuse Service	600 000	
Sports Field - Security	100 000	
Rural Roads/Causeways	1 000 000	
Rural Advancement Projects (Community Halls)	800 000	
Sports Development (Flagship)	500 000	
Cultural Development (Flagship)	120 000	
Work Creation Projects (Flagship)	745 000	
Free Electricity i.t.o. National Gov Policy	1040 000	
Humanitarian Indigent Support (Flagship)	400 000	
HIV Relief Fund (Flagship)	500 000	
Youth Development Programmes (Flagship)	600 000	
Rural Educational Enhancement	800 000	
Disaster Relief	400 000	
Community Seating Barriers & Shelters	100 000	
Community Support Programme (Flagship)	340 000	
Rehabilitation Urban Roads/Street	2 100 000	
Led Projects	1 400 000	
Ceremonial Events	100 000	
Commemorative Celebrations	150 000	
Community Halls/Rural Asset Management	100 000	
Housing – Top Up	1 800 000	
Solid Waste Projects	2 250 000	
Primary Health Contribution	1 400 000	
Rural Grounds Maintenance	800 000	
General Valuation i.t.o MPRA	900 000	
Poverty Alleviation (Flagship)	1 510 000	
Councillors Remuneration Grant	2 890 000	
MIG DORA - Admin Fee	936 520	
Capital Projects Contribution		5 623 000
Eshowe Bus/Taxi Rank Contribution		3 100 000
Gingindlovu Taxi Rank		1 890 000
Total Equitable Share	50 376 520	10 613 000

Municipal Infrastructure Grant		
Rehabilitation of Refuse Site (Ward 11)		3 116 198
Nkanini Sportsfield (Ward 7)		494 000
Sithilo Sportsfield (Ward 2)		662 900
Mabhokweni Sportsfield (Ward 17)		375 084
D135 Kwa Khoza Road (Ward 15)		2 472 212
Shakaland Road Rehabilitation (Ward 26)		402 520
Upgrade of Gingindlovu Taxi Rank (Ward 18)		557 411
Inhlababo Causeway/Road (Ward 17)		896 413
Ethondo River Causeway (Ward 21)		230 000
Fire Station Mtunzini (Ward 19)		659 036
Nkanini Hall (Ward 7)		1 132 618
Municipal Infrastructure Grant continued…		
Insala Creche (Ward 20)		580 634
Ncekua Creche (Ward 3)		501 000
Zamokuhle Creche (Ward 24)		516 012
Safube Creche (Ward16)		570 000
Musimbeni Creche (Ward 3)		492 036
Matushitswo Causeway (Ward24)		626 511
Mbongolweni/mthombe Causeway & Road (Ward 19)		1 401 753
Nhlanzanyoni Causeway (Ward 7)		801 992
Ngoje Road (Ward 8)		793 486
Mpungose(Hlohloko Sportsfield) (Ward 9)		1 025 124
Nyanini Sportsfield (Ward 13)		922 505
KwaMondlo Bus Shelter (Ward 22)		139 262
Total MIG Projects		19 368 707

LG Finance Management Grant	1 200 000	
Department of Human Settlements		20 000 000
Department of Minerals and Energy		2 660 000
Total Grants	1 200 000	22 660 000

COGTA		
MSIG	750 000	
IDP Review	0	
Property Rates	121 000	
Total COGTA	871 000	

Provincial Heath Department		
Clinic Subsidy	2 289 000	
Total for Provincial Health Department	2 289 000	
Provincial Administration		
Museum Subsidy	73 000	
Recapitalisation of Libraries	90 000	
Total Provincial Administration	163 000	

uThungulu District Municipaliy		
UDM: Salary Claims	539 900	
Total UDM	539 900	
TOTAL GRANT ALLOCATION	55 439 420	52 641 707

Reconciliation of DORA Gazetted Grants

- Equitable Share Reconciliation 2010/2011

1. Operating Budget

As per Municipality's Operation Budget	R55 439 420
Less:	
LG Finance Management Grant	R 1 200 000
Municipal Systems Infrastructure Grant	R 750 000
Property Rates	R 121 000
Clinic Subsidy	R 2 289 000
Museum Subsidy	R 73 000
Recapitalisation of Libraries	R 90 000
UDM Salary Claims	R 539 900
MIG DORA Gr 5	R 936 520
Total Operatiing Budget Equitable Share (1)	R49 440 000

2. Capital Budget

As per Municipality's Capital Budget	R52 641 707
Less:	
Municipal Infrastructure Grant	R19 368 707
Department of Human Settlement	R20 000 000
Department of Minerals & Energy	R 2 660 000
Roll Over Project for Eshowe Taxi & Bus Rank	R 1 600 000
	R43 628 777
Add:	
Additional Provision for Capital Budget	R 112 000

Total Capital Budget – Equitable Share (2)	R 9 124 930
Total Equitable Share as Gazetted (Add Totals 1&2)	R58 564 930

- Municipal Infrastructure Grant Reconciliation 2010/2011

As per Capital Budget MIG Allocation	R19 368 707
Add: PMU Admin Fees – 5%	R 926 400
Less: Vat Saving on Roll Over Projects	R 1 767 107
Total MIG as Gazetted	R18 528 000

- LG Municipal Finance Management Grant

LG Finance Management Grant	R 1 200 000

- Municipal Systems Infrastructure Grant

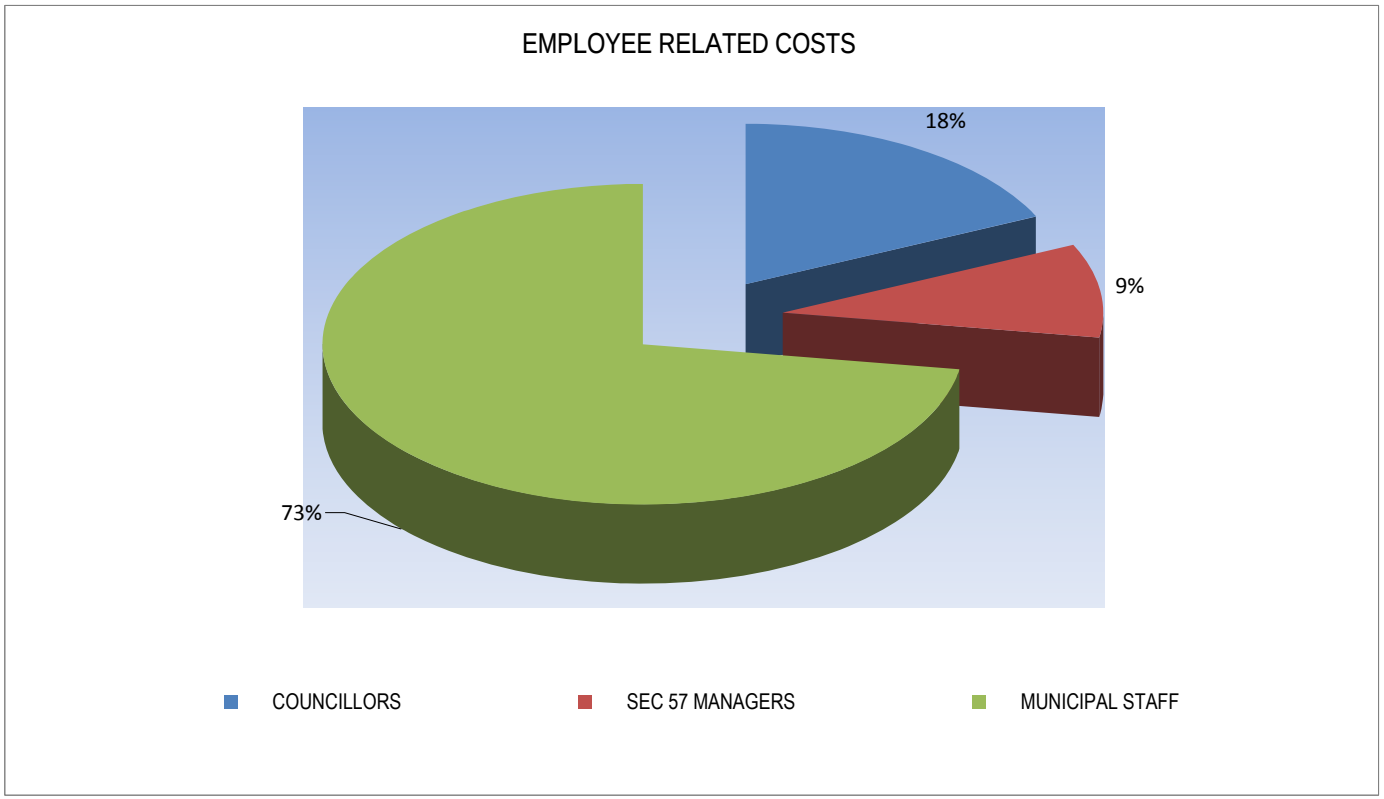
Municipal Systems Infrastructure Grant	R 750 000

12. Councillor Allowances and Employee Benefits

12.1 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Salary		5,834	6,218	6,859	6,448	6,448	7,149	7,749	8,400
Pension Contributions		573	638	695	695	695	792	859	931
Medical Aid Contributions		73	111	121	121	121	169	183	198
Motor vehicle allowance		2,095	2,335	2,545	2,545	2,545	2,717	2,945	3,193
Cell phone allowance		479	531	579	579	579	622	675	731
Housing allowance		38	38	38	38	38	41	45	49
Other benefits or allowances									
In-kind benefits									
Sub Total - Councillors	–	9,092	9,871	10,837	10,426	10,426	11,491	12,456	13,502
Senior Managers of the Municipality									
Salary		1,865	2,454	3,250	3,250	3,250	3,588	3,954	4,350
Pension Contributions		381	489	555	555	555	613	675	742
Medical Aid Contributions		70	68	–	–	–	–	–	–
Motor vehicle allowance		698	694	896	896	896	896	896	896
Cell phone allowance		–	–	84	84	84	84	84	84
Housing allowance		–	7	–	–	–	–	–	–
Performance Bonus		146	346	605	605	481	721	782	848
Other benefits or allowances		45	51	53	53	53	57	62	67
In-kind benefits							–		
Sub Total - Senior Managers of Municipality	–	3,205	4,109	5,443	5,443	5,319	5,959	6,452	6,987
Other Municipal Staff									
Basic Salaries and Wages		22,743	23,111	27,467	27,650	26,762	33,586	37,291	40,936
Pension Contributions		3,591	3,763	5,457	4,864	4,471	6,025	6,669	7,345
Medical Aid Contributions		1,130	1,207	1,659	1,549	1,435	1,789	1,964	2,155
Travel, Rental & other allowance		–	1,584	1,319	1,422	1,318	1,665	1,657	1,657
Uif and Group Life Contributions		419	455	585	585	533	718	785	851
Housing allowance		–	195	203	201	151	145	145	145
Overtime		1,039	1,661	1,329	1,319	1,887	1,224	1,352	1,494
Long Service Bonuses		–	242	304	304	304	266	295	329
Protective Clothing		206	219	253	336	331	443	370	388
In-kind benefits									
Sub Total - Other Municipal Staff	–	29,128	32,437	38,576	38,229	37,193	45,859	50,528	55,300
Total Municipality	–	41,425	46,417	54,856	54,098	52,938	63,309	69,436	75,790
TOTAL SALARY, ALLOWANCES & BENEFITS	–	41,425	46,417	54,856	54,098	52,938	63,309	69,436	75,790
TOTAL MANAGERS AND STAFF	–	32,332	36,546	44,019	43,672	42,512	51,818	56,981	62,288

EMPLOYEE RELATED COSTS	
2010/2011 MTREF	
DESCRIPTION	BUDGET YEAR 2010/2011 R'000
COUNCILLORS	11491
SEC 57 MANAGERS	5959
MUNICIPAL STAFF	45859
TOTAL EXPENDITURE	63309



12.2 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No. 10	Salary	Contrib. 1.	Allowances	Performance Bonuses	In-kind benefits 2.	Total Package 3.
Councillors								
Speaker		1	313,890	47,080	138,870	–	–	499,840
Chief Whip		1	294,270	44,140	131,350	–	–	469,760
Executive Mayor		1	376,080	75,140	168,950	–	–	620,170
Deputy Executive Mayor		1	172,640	25,900	77,740	–	–	276,280
Executive Committee		6	979,090	137,680	441,640	–	–	1,558,410
Total for all other councillors		42	5,012,960	630,940	2,422,250	–	–	8,066,150
Total Councillors		52	7,148,930	960,880	3,380,800	–	–	11,490,610
Senior Managers of the Municipality								
Municipal Manager (MM)		1	802,664	158,278	84,000	144,612	–	1,189,553
Deputy Municipal Manager		1	516,913	117,074	105,317	101,823	–	841,127
Chief Finance Officer		1	496,351	112,954	130,000	101,823	–	841,127
Manager : Corporate Services		1	409,564	124,082	144,830	93,307	–	771,782
Manager : Protection Services		1	506,957	23,637	147,882	93,307	–	771,782
Manager : Community Services		1	409,563	124,082	144,830	93,307	–	771,782
Manager : Engineering Services		1	445,719	93,894	138,863	93,307	–	771,782
List of each offical with packages >= senior manager								
Deputy Chief Financial Officer		1	347,478	119,090	82,012	28,957	–	577,537
Total Senior Managers of the Municipality		8	3,935,209	873,089	977,734	750,440	–	6,536,471
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		60	11,084,139	1,833,969	4,358,534	750,440	–	18,027,081

12.3 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2008/9			Current Year 2009/10			Budget Year 2010/11		
Number	1	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		52	3	49	52	3	49	52	3	49
Board Members of municipal entities										
Municipal employees										
Municipal Manager and Senior Managers		7		7	7		7	7		7
Other Managers		8	8		8	8		8	8	
Professionals		*8*	*8*	–	*9*	*9*	–	*9*	*9*	–
Finance		4	4		5	5		5	5	
Spatial/town planning		4	4		4	4		4	4	
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other								1	1	
Technicians		*124*	*124*	–	*123*	*123*	–	*123*	*123*	–
Finance		17	17		18	18		18	18	
Spatial/town planning		31	31		31	31		31	31	
Information Technology		4	4		4	4		4	4	
Roads		24	24		23	23		23	23	
Electricity		22	22		22	22		22	22	
Water										
Sanitation										
Refuse		26	26		25	25		25	25	
Other		139	139		150	150		150	150	
Clerks (Clerical and administrative)		12	12		12	12		13	13	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS		350	294	56	361	305	56	363	307	56
Total municipal employees headcount		298	29		309	309		311	311	
Finance personnel headcount		27	27		27	27		27	27	
Human Resources personnel headcount		2	2		2	2		2	2	

13. MONTHLY TARGETS FOR REVENUE AND CASHFLOW

13.1 Hereunder follows a consolidated projection for revenu by source and expenditure by type:

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
R thousand		July	Aug	Sept.	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue By Source																
Property rates		3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	37,364	39,420	41,785
Property rates - penalties & collection charges		79	79	79	79	79	79	79	79	79	79	79	79	950	950	950
Service charges - electricity revenue		3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	40,520	47,913	57,888
Service charges - refuse revenue		500	500	500	500	500	500	500	500	500	500	500	500	5,999	6,881	7,811
Rental of facilities and equipment		84	84	84	84	84	84	84	84	84	84	84	80	1,011	1,071	1,136
Interest earned - external investments		50	50	50	50	50	50	50	50	50	50	50	50	600	600	600
Fines		352	352	352	352	352	352	352	352	352	352	352	352	4,230	4,769	5,297
Licences and permits		–	–	–	–	–	–	–	–	–	–	–	12	12	12	12
Transfers recognised - operational		4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	55,439	66,596	73,109
Other revenue		636	636	636	636	636	636	636	636	636	636	636	636	7,629	8,081	8,335
Gains on disposal of PPE		17	17	17	17	17	17	17	17	17	17	17	17	200	200	200
Total Revenue (excluding capital transfers and contributions)		12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,829	12,837	153,955	176,304	196,934
Expenditure By Type																
Employee related costs		4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	51,818	56,981	62,288
Remuneration of councillors		958	958	958	958	958	958	958	958	958	958	958	958	11,491	12,456	13,502
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment		439	439	439	439	439	439	439	439	439	439	439	439	5,263	5,652	5,991
Finance charges		3	3	3	3	3	3	3	3	3	3	3	3	36	32	29
Bulk purchases		2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	24,372	31,277	40,172
Contracted services		1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	13,921	13,866	14,693
Transfers and grants		30	30	30	30	30	30	30	30	30	30	30	30	359	378	397
Other expenditure		3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	3,874	46,485	55,493	58,982
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	153,744	176,135	196,053
Surplus/(Deficit)		17	17	17	17	17	17	17	17	17	17	17	25	212	169	881
Transfers recognised - capital													–	–	–	–
Contributions recognised - capital													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		17	17	17	17	17	17	17	17	17	17	17	25	212	169	881
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	17	17	17	17	17	17	17	17	17	17	17	25	212	169	881

13.2 Hereunder follows a consolidated projection of revenue and operating expenditure by vote:

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue by Vote																
Vote1 - EXECUTIVE & COUNCIL		6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	76,271	82,755	89,500
Vote2 - BUDGET & TREASURY OFFICE		182	182	182	182	182	182	182	182	182	182	182	182	2,182	2,434	2,486
Vote3 - CORPORATE SERVICES		91	91	91	91	91	91	91	91	91	91	91	91	1,088	1,239	1,339
Vote4 - PLANNING & DEVELOPMENT		86	86	86	86	86	86	86	86	86	86	86	82	1,030	1,261	1,540
Vote5 - HEALTH		479	479	479	479	479	479	479	479	479	479	479	479	5,749	6,183	6,538
Vote6 - COMMUNITY & SOCIAL SERVICES		27	27	27	27	27	27	27	27	27	27	27	27	328	347	357
Vote7 - HOUSING		163	163	163	163	163	163	163	163	163	163	163	163	1,953	2,363	3,176
Vote8 - PUBLIC SAFETY		386	386	386	386	386	386	386	386	386	386	386	386	4,632	5,792	6,352
Vote9 - SPORTS & RECREATION		167	167	167	167	167	167	167	167	167	167	167	167	2,008	2,827	3,395
Vote10 - WASTE MANAGEMENT		783	783	783	783	783	783	783	783	783	783	783	783	9,396	10,667	11,450
Vote11 - ROAD TRANSPORT		599	599	599	599	599	599	599	599	599	599	599	599	7,189	10,932	11,081
Vote12 - ELECTRICITY		3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	42,130	49,693	59,911
Vote13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote14 - WORKSHOP		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
														–	–	–
Total Revenue by Vote		12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,830	12,826	153,955	176,494	197,124
Expenditure by Vote to be appropriated																
Vote1 - EXECUTIVE & COUNCIL		3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	45,191	47,977	50,902
Vote2 - BUDGET & TREASURY OFFICE		597	597	597	597	597	597	597	597	597	597	597	597	7,168	7,983	8,807
Vote3 - CORPORATE SERVICES		524	524	524	524	524	524	524	524	524	524	524	524	6,294	6,927	7,595
Vote4 - PLANNING & DEVELOPMENT		215	215	215	215	215	215	215	215	215	215	215	215	2,585	2,965	3,390
Vote5 - HEALTH		637	637	637	637	637	637	637	637	637	637	637	637	7,647	8,355	8,657
Vote6 - COMMUNITY & SOCIAL SERVICES		218	218	218	218	218	218	218	218	218	218	218	218	2,614	2,952	3,122
Vote7 - HOUSING		162	162	162	162	162	162	162	162	162	162	162	162	1,943	2,345	3,147
Vote8 - PUBLIC SAFETY		1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	12,897	14,588	15,825
Vote9 - SPORTS & RECREATION		651	651	651	651	651	651	651	651	651	651	651	651	7,807	9,171	10,328
Vote10 - WASTE MANAGEMENT		988	988	988	988	988	988	988	988	988	988	988	988	11,857	12,921	13,982
Vote11 - ROAD TRANSPORT		830	830	830	830	830	830	830	830	830	830	830	830	9,958	14,202	14,810
Vote12 - ELECTRICITY		3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	37,440	45,371	55,442
Vote13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	11	11	12
Vote14 - WORKSHOP		28	28	28	28	28	28	28	28	28	28	28	28	332	366	403
0		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	12,812	153,743	176,135	196,423
Surplus/(Deficit) before assoc.		18	18	18	18	18	18	18	18	18	18	18	14	212	359	701
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	18	18	18	18	18	18	18	18	18	18	18	14	212	359	701

13.3 Hereunder follows a consolidated projection of capital expenditure by vote:

Description	Ref	Budget Year 2010/11												Medium Term Revenue and		
R thousand		July	August	Sept.	Oct	Nov.	Dec.	Jan	Feb.	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Multi-year expenditure *to be appropriated*	1															
Vote1 - EXECUTIVE & COUNCIL		250		15	20								–	285	42	49
Vote2 - BUDGET & TREASURY OFFICE				20		25			45	20	20		–	130	120	125
Vote3 - CORPORATE SERVICES				4	214	259	2,154	299	214	214	35		–	3,392	515	3,100
Vote4 - PLANNING & DEVELOPMENT				5			30						–	35	325	30
Vote5 - HEALTH									50	20			–	70	50	–
Vote6 - COMMUNITY & SOCIAL SERVICES		288	288	288	388	402	414	402	303	202	45		–	3,017	1,637	5,254
Vote7 - HOUSING				2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000	22,000	22,000
Vote8 - PUBLIC SAFETY			20	35	520	282	343		20	30			–	1,249	975	785
Vote9 - SPORTS & RECREATION		483	733	406	485	685	435	325	325	154			–	4,030	630	1,422
Vote10 - WASTE MANAGEMENT		519	519	519	519	599	569						–	3,246	280	80
Vote11 - ROAD TRANSPORT		2,030	1,011	2,057	1,162	1,437	1,082	1,632	982	764	651	387	140	13,337	24,343	19,924
Vote12 - ELECTRICITY		1,330	1,380	450	75	165	235	25	82	50			–	3,792	1,076	1,210
Vote13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote14 - WORKSHOP					15	45							–	60	145	–
0													–	–	–	–
Capital multi-year expenditure sub-total	2	4,900	3,950	5,800	5,397	5,898	7,262	4,682	4,020	3,454	2,751	2,387	2,140	52,642	52,138	53,980
Total Capital Expenditure	2	4,900	3,950	5,800	5,397	5,898	7,262	4,682	4,020	3,454	2,751	2,387	2,140	52,642	52,138	53,980

14. Annual budgets and service delivery and budget implementation plans-internal departments

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Municipal Managers Office												
Vote: Executive and Council												
1. Mayoral Office												
Report on implementation of budget	Submit quarterly to Council	3				1		1		1		
Performance indicators in S D B I P	Made public in July 2010	1		1								
Performance agreements in S D B I P	Made public in July 2010	1		1								
Time schedule of key deadlines for budget and IDP process	Tabled in August 2010	1		1								
Mid year performance assessment report	Tabled in January 2011	1						1				
Adjustments budget	Tabled in January 2011	1						1				
Annual report	Tabled in January 2011	1						1				
Draft budge, revisions to IDP, resolutions and other related documents	Tabled in March 2011	1						1				
	Addressed in March 2011	1						1				
Issues raised in Auditors-General report	No. of meetings in April 2011	3								3		
Consultation on draft budget	Amends budget in May 2011	1								1		
Responds to submissions of community Service Delivery and Budget Implementation Plan	Approve in May 2011	1								1		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
2. Municipal Manager												
Monthly budget statement to Mayor and PT	No of statements	11		3		2		3		3		
Monthly budget statements and mid year budget and performance assessment	Consolidate in July 2010	1		1								
Consolidated report of withdrawals	Table quarterly	4		1		1		1		1		
Report to Council on the expenditure incurred on staff salaries, wages, allowances & benefits	Submit quarterly to Council	4		1		1		1		1		
Time schedule of key deadlines for budget and IDP process	Made public in August 2010	1		1								
Annual financial statements to Auditor General	Submit end August 2010	1		1								
IDP consultation processes	Start in August 2010	7		4		3						
Internal Strategic Consultation processes	Begins in September 2010	6		3				3				
Engages with national and provincial sector Depts. on sector specific programmes for alignment with IDP	Begins September 2010	4		4								
Impact of different service delivery levels on rates and tariffs	Inform community in Oct 2010	1				1						
National policies, budget plans and potential price increases of bulk resources	Review with dept heads in Oct 2010	1				1						
Changes to the IDP for incorporation into IDP review	Review in November 2010	1				1						
Mid year performance assessment report to Mayor, N T & P T	Submit in January 2011	1						1				
Annual report	Made public in March 2011	1						1				
Annual report to AG, PT and D T & LG	Submit in March 2010	1						1				
National and Provincial allocations	Review in February 2011	1						1				

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Municipal Manager (continues)												
Draft budget and plans for next 3 years to Mayor	Submit in March 2011	1						1				
Oversight report of annual report	Made public in March 2011	1						1				
Draft budget, plans and proposed revisions to IDP	Publish in March 2011	1						1				
Approved budget and budget related policies	Publish in June 2011	1								1		
SDBIP and annual performance agreement to Mayor	Submit in June 2011	1								1		
Approved SDBIP to National Treasury	Submit in June 2011	1								1		
Communication Plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Public/Private partnerships strategy	Complete on 30 June 2011	100%				50%		75%		100%		
Review LED plan	Complete on 30 June 2011	100%				50%		75%		100%		
LED business forums	No of meetings in each ward	4		1		1		1		1		
Involve ward committees and CDW's in IDP process	Start in September 2010	3		2		1						
Local economic development projects	No of projects	2				1				1		
Almend and align PMS and budget for municipality to align with IDP	Complete on 30 June 2011	100%				50%		75%		100%		
Establish sustainable SMME	No of SMME's, funded and functional	20%				10%				20%		
Introduce bi-annual meetings between Council & Amakhosi	Bi-annual meetings	2				1				1		
Good governance and service delivery	No of training workshops	4		1		1		1		1		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Corporate Services												
1. Vote: Finance & Administration												
1.3 Administration												
Compilation Agenda & Minutes	No of Agendas and Minutes	100		25		25		25		25		
Enquiries and complaints	No of replies	120		30		30		30		30		
Municipal Website	No of uploads	12		3		3		3		3		
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Training needs of staff & Councillors	Submit report by June 2011	50%				25%				50%		
Workplace skills plan	Completion and adoption by 30 June 2011	100%				25%		75%		100%		
Implement employee readiness and wellness programme	Complete by 30 June 2011	100%				25%		75%		100%		
Implement HR strategy	Workshop by January 2011	100%		50%		100%						
Amend and align municipal organizational structure with IDP	Complete by 30 June 2011	100%				25%		75%		100%		
Employment equity plan	Reports to EXCO	4		1		1		1		1		
Complete LUMS for rural areas	Complete by 30 June 2011	100%				25%		75%		100%		
Mbongolwane Wetland declared as protected area	Complete by June 2011	100%				25%		75%		100%		
Draft 2011/2012 budget	Submit in November 2010	1				1				1		
Publish draft 2011/2012 budget	Publish in April 2011 & website	1								1		
Draft SDBIP	Submit in February 2011	1						1				
Approved 2010/2011 budget	Published in June 2010	1		1								
Performance agreement and SDBIP	Made public in July 2010	1		1								
Investigate feasibility of establishing light industry at GIng	Complete by 30 June 2011	100%				25%		75%		100%		
Implement tourism plan	Complete by 30 June 2011	100%				25%		75%		100%		
Implement urban design project in Eshowe	Complete by 30 June 2011	100%				25%		75%		100%		
Purchase furniture and fittings	Deliver in October 2010	1				1						
Purchase IT equipment	Deliver in November 2010	1				1						
Purchase Spoornet property in Gingindlovu	Complete by 31 December 2010	100%		25%		100%						

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Corporate Services (continues)												
1.4 Office of the Mayor												
Purchase Computer	Deliver in August 2010	1		1								
Purchase Furniture	Deliver in September 2010	1		1								
Purchase pool vehicle	Deliver in July 2010	1		1								
1.3 Town Hall & Offices												
Purchase of equipment and fittings	Deliver in December 2010	1				1						
Upgrade Sunnydale Hall	Complete by November 2010	100%				100%						
Upgrade Mpushini Hall	Complete by February 2011	100%				50%		100%				
Upgrade King Dinuzulu Hall	Complete by April 2011	100%								100%		
1.4 Libraries												
Purchase equipment, furniture and fittings												
Purchase IT equipment	Deliver in March 2010	1						1				
	Deliver in November 2010	1				1						
1.5 Tourism												
Purchase of equipment and fittings												
	Deliver in March 2010	1						1				
2. Vote: Housing												
Housing sector plan												
Housing scheme-Gingindlovu	Complete by 30 June 2011	100%				25%		75%		100%		
	Project complete by June 2011	100%				25%		75%		100%		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Protection Services (Manager: Protection Services)												
1. Vote: Finance & Admin (Protection Services)												
Compilation Agenda & Minutes	No of agendas and minutes	24		6		6		6		6		
Enquiries and complaints	No of replies	100		25		25		25		25		
Draft 2011/2012 budget	Submit in November 2010	1				1						
Draft SDBIP	Submit in February 2011	1						1				
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
2. Vote: Public Safety												
2.1. Traffic												
Road safety projects	No of projects	20		5		5		5		5		
Road signs	No of signs	60		15		15		15		15		
Road markings	No of kilometers	60		15		15		15		15		
Crime consultative meetings	No of meetings	12		3		3		3		3		
Establish community safety forum	No of schools visited	6				3				3		
Prepare and implement a safety plan	Complete by 30 June 2011	100%				25%		50%		100%		
Patrol vehicles	Deliver in October 2010	100%				100%						
Breathalyzers	Deliver in July 2010	100%		100%								
Blometric security system	Deliver in November 2010	100%				100%						
Fire Arms	Deliver in September 2010	100%		100%								
2..2 Fire Fighting												
Fire inspections-businesses	No of inspections	100		25		25		25		25		
Municipal disaster management plan	No of awareness campaigns	2		1				1				
Rural fire prevention training	No of training sessions	3		1		1		1				
Equipment for fire stations	Deliver in October 2010	100%				100%						
Fire fighting equipment	Deliver in November 2010	100%				100%						
Medical rescue equipment	Deliver in November 2010	100%				100%						
Fire Station furniture	Deliver in October 2010	100%				100%						
Emergency communications centre system	Deliver in January 2011	100%						100%				
Computer equipment	Deliver in February 2011	100%						100%				
3. Vote: Road Transport												
3.1 Testing Grounds												
Examination of vehicles	No of vehicles	800		200		200		200		200		
Motor registration & licensing: Eshowe	Units of one hundred	120		30		30		30		30		
Driver's Licenses: Bookings	No of bookings	1200		300		300		300		300		
Passed	No of passes	560		140		140		140		140		
Learners licenses: Bookings	No of bookings	1800		450		450		450		450		
Passed	No of passes	480		120		120		120		120		
Brake tester	Deliver in August 2010	100%		100%								

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Community Services (Manager: Community Services												
1. Vote: Finance & Admin												
Compilation Agenda & Minutes	No of agendas and minutes	40		10		10		10		10		
Enquiries and complaints	No of replies	100		25		25		25		25		
Draft 2011/2012 budget	Submit in November 2010	1				1						
Draft SDBIP	Submit in February 2011	1						1				
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
Liaison with Dept of health to ensure an		1								1		
acceptable level of health care	No of consultations	4		1		1		1		1		
Liaison with UDM and Coastal Management		1								1		
working group	No of meetings	4		1		1		1		1		
SMME"s establishment at Eshowe bus rank	No of SMME's established	4		1		1		1		1		
Furniture	Delivered in February 2011	100%						100%				
2. Vote: Community & Social Services												
Cemeteries graves	No of graves dug	960		240		240		240		240		
Cemetery pathways	No of square meters cleaned	1000		250		250		250		250		
Tractor	Deliver in November 2010	1				1						
Vehicle (4x2)	Deliver in August 2010	1		1								
Playground equipment	Deliver in January 2011	100%				75%		100%				
Sports development	No of events	2		2								
Cultural development	No of events	1		1								
HIV relief	No of assistance rendered	10		2		2		2		4		
Youth Development Programmes	No of programmes	2		1		1						
Palisade fencing at Eshowe cemetry	Complete in December 2010	100%				100%						
3. Vote: Sport & Recreation												
Weed eradication programme	Programme completed (hectares)	100		25		25		25		25		
Grass cutting programme	No of hectares cut	900		225		225		225		225		
Work creation	No of temp jobs created	100		25		50		75		100		
Brushcutters	Delivered in September 2010	100%		100%								

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Financial Services Chief Financial Officer												
1. Vote: Finance & Admin												
Upgrade of IT equipment	Completed in April 2011	100%								100%		
Upgrade of office	Completed in October 2010	100%				100%						
Furniture & equipment	Deliver in December 2010	100%				100%						
Communication Plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
1.1 Budget & Management Accounts												
Compilation of financial statements in terms of MFMA	Submit by 31 August 2010	1		1								
Time schedule of key deadlines for 2011/2012 budget	Submit in August 2010	1		1								
Budget Statement	No of statements	11		3		3		3		3		
Implementation of the budget	No of reports	4		1		1		1		1		
Consolidate and prepare proposed 2011/2012 budget	Start in December 2010	1				1						
6 monthly budget statements	Tabled in January 2011	1						1				
Adjustment budget for 2010/2011	Tabled in January 2011	1						1				
Change in budget related policies	Finalized in March 2011	1						1				
Align municipal budget with IDP	Alignment in March 2011	1						1				
Draft 2010/2012 budget	Tabled in March 2011	1						1				
Draft SDBIP for 2011/2012	Tabled in March 2011	1						1				
Primary banking detail to Provincial Treasury and Auditor General	Forwarded in March 2011	1						1				
Draft 2011/2012 budget to National Treasury (3 copies)	Forwarded in April 2011	1								1		
Draft 2011/2012 budget to Provincial Treasury (1 copy)	Completed and mailed in April 2011	1								1		
Appendix A completed and sent to PT & NT	Completed and mailed in April 2011	1								1		
Final 2011/2012 budget	Tabled in May 2011	1								1		
Final 2011/2012 budget to National Treasury	Forwarded in June 2011	1								1		
Final SDBIP for 2011/2012	Approved in June 2011	1								1		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Financial Services Chief Financial Officer												
1.2 Revenue												
Report on credit control, debt collection & indigent management to Finance Committee	No of reports	11		3		2		3		3		
Meetings with Council's attorneys to discuss progress on handed over debtors	No of meetings	4		1		1		1		1		
Steering committee meetings to monitor progress of second round of valuations	No of meetings	12		3		3		3		3		
Debtor reconciliations	Completed by the 15th of the month	12										
1.3 Expenditure												
SCM Policy-revise	Completed by December 2010	100%				100%						
DoRA reports on all grants received	Submitted monthly	100%		100%		100%		100%		100%		
SCM reports in accordance with regulations, policy & procedures	Submitted monthly	12		3		3		3		3		
Payroll is completed timorously & accurately	Completed within 7 working days of the end of the month	100%		100%		100%		100%		100%		
Payment of creditors on time in terms of Section 65 of MFMA	No of creditors paid on time	100%		100%		100%		100%		100%		
Ensure procurement policy is gender & disabled sensitive	Bi annual reports to EXCO	2%				1%				2%		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Technical Services (Manager Engineer Services)												
Vote: Finance & Administration												
Compilation Agenda & Minutes	No of agendas	66		15		10		12		15		
Enquiries and complaints	No of replies	100		25		25		25		25		
Draft 2011/2012 budget	Submit in November 2010	1				1						
Draft SDBIP	Submit in February 2011	1						1				
Communication plan	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	12		3		3		3		3		
	No of team building sessions	2				1				1		
	No of dept strategic meetings	12		3		3		3		3		
IT equipment	Deliver in November 2010	100%				100%						
Blinds for secretary's office	Completed by August 2010	100%		100%								
Filing cabinets	Deliver in October 2010	100%				100%						
Brush cutters-Mtunzini	Deliver in November 2010	2				2						
Camera	Deliver in August 2010	1		1								
Vote: Planning & Development												
Building inspections conducted	No of building inspections	100		25		25		25		25		
Property inspections conducted	No of property inspections	200		50		50		50		50		
Vote: Community & Social Services												
Study to determine backlog of services	Report submitted 30/06/11	100%				50%		75%		100%		
Consult with UDM that water & sanitation needs are catered for in the UDM (WSDP)	No of reports to portfolio committee	4		1		1		1		1		
Consult with Eskom and UDM so that uMlalazi residents receive free basic electricity.	No of reports to portfolio committee	4		1		1		1		1		
Ncekuya classroom/crèche (Ward 3)	Complete by February 2011	100%				50%		100%				
Safube crèche (Ward 16)	Complete by October 2010	100%		50%		100%						
Zamokhule crèche (Ward 24)	Complete by March 2011	100%				50%		100%				
Insala crèche(Ward 20)	Complete by October 2010	100%		50%		100%						
Musibeni crèche (Ward 3)	Complete by March 2011	100%				50%		100%				
Vote: Sports & Recreation												
Sithilo Sports field (Ward 2)	Complete by December 2010	100%		50%		100%						
Mabhoweni sport field (Ward 17)	Complete by September 2010	100%		100%								
Nyanini sportsfield (Ward 13)	Complete by March 2011	100%				50%		100%				
Hlohloko sports field(Ward 8)	Complete by February 2011	100%				50%		100%				
Nkanini Sportsfield	Complete by August 2010	100%		100%								
Vote: Refuse Removal												
Municipal integrated waste management plan	No of reports to Portfolio committee	4		1		1		1		1		
Rehabilitation of refuse site	Complete in November 2010	100%				75%		100%				
Refuse skips and mass containers	Delivered in November 2010	100%				100%						
Refuse bins	Delivered in October 2010	100%				100%						

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2010/2011

Vote/Indicator	Unit of Measurement	Annual Target	Revised Target	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Vote: Road Transport												
Municipal services infrastructure maintenance plan-buildings	No of reports to Portfolio committee	4		1		1		1		1		
Municipal roads programme	No of reports to Portfolio committee	4		1		1		1		1		
Storm Water Management	Complete by March 2011	100%		50%		75%		100%				
Pavement management	Complete by March 2011	100%		50%		75%		100%				
Radios	Deliver in March 2011	100%						100%				
Main street parking upgrade-Gingindlovu	Complete in December 2010	100%		25%		100%						
Sidewalks	Complete by April 2011	100%		25%		50%		75%		100%		
Roads signs and cones	Deliver in October 2010	100%				100%						
Staff accommodation upgrade	Complete in November 2010	100%				100%						
Public transport facilities	Complete in March 2011	100%		50%		75%		100%				
Speed humps	Complete by March 2011	100%		50%		75%		100%				
Tractor	Deliver in November 2010	1				1						
Catchpits and manhole covers	No. to be completed	40				100%						
D135 Kwa khoza Road	Complete by May 2011	100%		10%		25%		50%		100%		
Shakaland Road	Complete by September 2010	100%		100%								
Inhlababo Causeway	Complete by March 2011	100%				50%		100%				
Ethando River causeway	Complete by July 2010	100%		100%								
Nhlanzanyoni causeway(Ward 7)	Complete by April 2011	100%		10%		25%		50%		100%		
Matushtswo causeway (Ward 24)	Complete by February 2011	100%				50%		100%				
Mbongolweni Mthembu causeway	Complete by June 2011	100%				25%		50%		100%		
Ngoje road Ward 8)	Complete by 30 February 2011	100%				50%		100%				
Kwamodlo Bus shelter	Complete by 30 November 2010	100%		50%		100%						
Ging taxi Rank	Complete by September 2010	100%		100%		25%		50%		100%		
Rural roads/causeways (Equit share)	Complete by 30 April 2011	100%										
Rehabiliation of urban roads(equit share)	Complete by 30 April 2011	100%				25%		50%		100%		
Eshowe Bus & Taxi rank-informal trading proj	Complete by July 2010	100%		100%								
Vote: Electricity												
2x complete 3 way ring main units	Deliver in November 2010	2				2						
1x complete 4 way ring main unit	Deliver in January 2011	1						1				
315kva mini sub station transformer	Deliver in October 2010	100%				100%						
Upgrade robot control system	Complete in February 2011	100%						100%				
Upgrade street lights	Complete in October 2010	100%				100%						
Transformers (indoors)	Deliver in November 2010	100%				100%						
Single phase pre paid electricity meters	Deliver in December 2010	100%				100%						
New Sunnydale housing streetlights	Complete in September 2010	100%		100%								
Electrification of Sunnydale housing	Complete in November 2010	100%				100%						
Robots Sunnydale intersection	Complete in August 2010	100%		100%								
Vote: Other												
Municipal services infrastructure maintenance plan-vehicles	No of reports to Portfolio committee	4		1		1		1		1		
Staff clock	Install in October 2010	1				1						
Tools	Deliver in September 2010	100%		100%								
Community seating: barriers and shelters (Equitable share)	Complete by 31 March 2011	100%						100%				

15. Contract having future budgets implications

Hereunder follows the details of a contract which will impose financial obligations on the municipality beyond the three years covered in the annual budget:

Name	Description of Contract	Planned expenditure for duration of contract				
		2010/2011	*2011/2012*	*2012/2013*	*2013/2014*	*2014/2015*
HCB Property Valuations	*Second round of property valuations*	R826 170	R300 000	R300 000	R300 000	R300 000

16. Capital Expenditure Details

16.1 Budgeted monthly capital expenditure (Class)

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
R thousand		July	Aug	Sept.	Oct	Nov.	Dec.	Jan	Feb.	Mar	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Multi-year expenditure *to be appropriated*																
Vote1 - EXECUTIVE & COUNCIL		250		15	20								–	285	42	49
Vote2 - BUDGET & TREASURY OFFICE				20		25			45	20	20		–	130	120	125
Vote3 - CORPORATE SERVICES				4	214	259	2,154	299	214	214	35		–	3,392	515	3,100
Vote4 - PLANNING & DEVELOPMENT				5			30						–	35	325	30
Vote5 - HEALTH									50	20			–	70	50	–
Vote6 - COMMUNITY & SOCIAL SERVICES		288	288	288	388	402	414	402	303	202	45		–	3,017	1,637	5,254
Vote7 - HOUSING				2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000	22,000	22,000
Vote8 - PUBLIC SAFETY			20	35	520	282	343		20	30			–	1,249	975	785
Vote9 - SPORTS & RECREATION		483	733	406	485	685	435	325	325	154			–	4,030	630	1,422
Vote10 - WASTE MANAGEMENT		519	519	519	519	599	569						–	3,246	280	80
Vote11 - ROAD TRANSPORT		2,030	1,011	2,057	1,162	1,437	1,082	1,632	982	764	651	387	140	13,337	24,343	19,924
Vote12 - ELECTRICITY		1,330	1,380	450	75	165	235	25	82	50			–	3,792	1,076	1,210
Vote13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote14 - WORKSHOP					15	45							–	60	145	–
Example 15 - Vote15													–	–	–	–
Capital multi-year expenditure sub-total		4,900	3,950	5,800	5,397	5,898	7,262	4,682	4,020	3,454	2,751	2,387	2,140	52,642	52,138	53,980
Total Capital Expenditure		4,900	3,950	5,800	5,397	5,898	7,262	4,682	4,020	3,454	2,751	2,387	2,140	52,642	52,138	53,980

16.2 Budgeted monthly capital expenditure (By Sub-class)

Description	Ref	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Capital Expenditure - Standard																
Governance and administration		250	–	39	234	284	2,154	299	259	234	55	–	–	3,807	677	3,274
Executive and council		250	–	15	20	–	–	–	–	–	–	–	–	285	42	49
Budget and treasury office		–	–	20	–	25	–	–	45	20	20	–	–	130	120	125
Corporate services		–	–	4	214	259	2,154	299	214	214	35	–	–	3,392	515	3,100
Community and public safety		770	1,040	2,729	3,392	3,368	3,191	2,726	2,697	2,405	2,045	2,000	2,000	28,365	25,292	29,461
Community and social services		288	288	288	388	402	414	402	303	202	45	–	–	3,017	1,637	5,254
Sport and recreation		483	733	406	485	685	435	325	325	154	–	–	–	4,030	630	1,422
Public safety		–	20	35	520	282	343	–	20	30	–	–	–	1,249	975	785
Housing		–	–	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000	22,000	22,000
Health		–	–	–	–	–	–	–	50	20	–	–	–	70	50	–
Economic and environmental services		2,030	1,011	2,062	1,162	1,437	1,112	1,632	982	764	651	387	140	13,372	24,668	19,954
Planning and development		–	–	5	–	–	30	–	–	–	–	–	–	35	325	30
Road transport		2,030	1,011	2,057	1,162	1,437	1,082	1,632	982	764	651	387	140	13,337	24,343	19,924
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		1,849	1,899	969	594	764	804	25	82	50	–	–	–	7,038	1,356	1,290
Electricity		1,330	1,380	450	75	165	235	25	82	50	–	–	–	3,792	1,076	1,210
Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		519	519	519	519	599	569	–	–	–	–	–	–	3,246	280	80
Other		–	–	–	15	45	–	–	–	–	–	–	–	60	145	–
Total Capital Expenditure - Standard		4,900	3,950	5,800	5,397	5,898	7,262	4,682	4,020	3,454	2,751	2,387	2,140	52,642	52,138	53,980

16.3 Future financial implications of the capital budget

Vote Description	Ref	2010/11 Medium Term Revenue & Expenditure			Forecasts			
R thousand		Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Present value
Capital expenditure								
Vote1 - EXECUTIVE & COUNCIL		285	42	49	406	63		
Vote2 - BUDGET & TREASURY OFFICE		130	120	125	130	130		
Vote3 - CORPORATE SERVICES		3,392	515	3,100	1,150	460		
Vote4 - PLANNING & DEVELOPMENT		35	325	30	20	30		
Vote5 - HEALTH		70	50	–	–	40		
Vote6 - COMMUNITY & SOCIAL SERVICES		3,017	1,637	5,254	391	401		
Vote7 - HOUSING		20,000	22,000	22,000	22,000	22,000		
Vote8 - PUBLIC SAFETY		1,249	975	785	666	2,340		
Vote9 - SPORTS & RECREATION		4,030	630	1,422	900	700		
Vote10 - WASTE MANAGEMENT		3,246	280	80	1,445	1,400		
Vote11 - ROAD TRANSPORT		13,337	24,343	19,924	77,680	1,072		
Vote12 - ELECTRICITY		3,792	1,076	1,210	738	760		
Vote13 - AIR TRANSPORT		–	–	–	–	–		
Vote14 - WORKSHOP		60	145	–	–	–		
Total Capital Expenditure		52,642	52,138	53,980	105,526	29,396	–	–
Future operational costs by vote								
Vote1 - EXECUTIVE & COUNCIL		3,948	4,340	4,603				
Vote2 - BUDGET & TREASURY OFFICE		77	82	91				
Vote3 - CORPORATE SERVICES		306	320	366				
Vote4 - PLANNING & DEVELOPMENT		5	7	8				
Vote5 - HEALTH		27	28	30				
Vote6 - COMMUNITY & SOCIAL SERVICES		153	159	65				
Vote7 - HOUSING		50	50	50				
Vote8 - PUBLIC SAFETY		729	793	848				
Vote9 - SPORTS & RECREATION		439	472	507				
Vote10 - WASTE MANAGEMENT		776	825	873				
Vote11 - ROAD TRANSPORT		1,830	2,115	2,179				
Vote12 - ELECTRICITY		2,105	2,170	2,303				
Vote13 - AIR TRANSPORT		6	6	7				
Vote14 - WORKSHOP		27	31	32				
Example 15 - Vote15								
Total future operational costs		10,478	11,398	11,962	–	–	–	–
Future revenue by source								
Property rates		37,364	39,420	41,785				
Property rates - penalties & collection charges		950	950	950				
Service charges - electricity revenue		40,520	47,913	57,888				
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue		5,999	6,881	7,811				
Service charges - other								
Rental of facilities and equipment		1,011	1,071	1,136				
Total future revenue		85,844	96,235	109,570	–	–	–	–
Net Financial Implications		(22,725)	(32,700)	(43,628)	28,976	29,396	–	–

17. LEGISLATION COMPLIANCE STATUS

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality – high, medium and low.

The LG:MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting – which was a common feature of the previous practices – has been replaced by multi-year budgeting at a more strategic level.

The LG: MFMA aim to modernize budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For example, during the budget preparation process, Section 21 of the LG: MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.

Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior manager. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.

Some of the key budget reforms encapsulated within the LG: MFMA, that uMlalazi has applied, are:

- Forward looking, multi-year budgets with strategic focus;
- Clear links between budget allocations and agreed policies;
- Improved integration of budget and planning processes;
- New budget process timetable with earlier adoption of budgets by council and earlier audits of Annual Financial Statements;
- Improved in-year reporting according to vote/function;
- Improved financial management information;
- Service Delivery and Budget Implementation Plans (SDBIP) developed and approved with budgets;
- New accounting norms and standards;
- Improvements to procurement and Supply Chain Management policies and processes;
- Establishment of a new audit committee and oversight process reforms and;
- Focus on performance measurement,

The LG: MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of LG: MFMA implementation plans and 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to Mayor and Council, as required by Section 71;
- Publication of information on the municipalities website (www.umlalazi.org.za) and
- Mid-year budget and performance assessment as required by Section 72

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was prepared taking cognizance of the contents of the Municipal budget and reporting regulations, Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 51 and the LG:MFMA Budget Formats Guide received from National Treasury.

The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

OTHER LEGISLATION

The other important pieces of legislation when considering the budget processes are:

- The Division of Revenue Bill 2010 and
- The Municipal Systems Act (Act no. 32 of 2000), together with the Municipal Systems Amendment Act (Act No. 44 of 2003)

Division of Revenue Bill 2010

This Bill issued in February annually, provides the three year allocations from national government to local government. It sets out all the reporting requirements and conditions relating to the grants. Alongside this Provincial Departments allocate funding to local government by means of a provincial gazette.

These allocations are used when preparing the three year budget in order to comply with Section 18 of the LG: MFMA (relating to reasonably anticipated revenues to be collected). Additional allocations – both nationally and provincially – are sometimes made to municipalities. However, these are not included in the original budget as the allocations are not certain. When confirmed they will be included in an adjustments budget in accordance with Section 28 of the LG: MFMA.

The Municipal Systems Act (Act no. 32 of 2000) and the Municipal Systems Amendment Act (Act No. 44 of 2003)

These acts form the basis of the links between the budget and the Integrated Development Plan (IDP). In particular, the aspects that have been considered in preparing the budget are:

- Community participation (Chapters 4 & 5);

Performance management (Chapter 6) providing also the basis for measurable performance objectives in the Service Delivery and Budget Implementation Plan (SDBIP); and Tariff Policy (Chapter 8).

18. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Joachim Christoffel Gerber**, Municipal Manager of the uMlalazi Municipality,
Hereby *certify that the annual budget and supporting documentation have been prepared in accordance with the* Municipal Finance Management Act and the regulations made under the Act to a certain extent with the budget document as set out in schedule A of the regulations including the main tables (A1-A10), and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name..... Chris Gerber Municipal Manager: uMlalazi .....

Municipal Manager of .....

Signature.....

Date.....

CONTACT DETAILS

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